HUAQIN

華勤技術股份有限公司

Huaqin Co., Ltd.

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

Stock Code: 3296

GLOBAL OFFERING

Joint Sponsors, Sponsor-Overall Coordinators, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CICC 中金公司

BofA SECURITIES

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Goldman Sachs 高盛

CITIC SECURITIES

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

ABCI 農銀國際

Joint Bookrunners and Joint Lead Managers

富途證券 FUTU Securities International

老虎證券 TIGER BROKERS

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

HUAQIN

Huaqin Co., Ltd.
華勤技術股份有限公司

(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	**:**	**58,548,200 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**5,854,900 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**52,693,300 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$77.70 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per Share**
Stock code	**:**	**3296**

Joint Sponsors, Sponsor-Overall Coordinators, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CICC 中金公司   BofA SECURITIES

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Goldman Sachs 高盛   CITIC SECURITIES

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

ABCI 農銀國際

Joint Bookrunners and Joint Lead Managers

富途證券 FUTU Securities International   老虎證券 TIGER BROKERS

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VII, 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 Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators and us on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, April 21, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Tuesday, April 21, 2026 (Hong Kong time). The Offer Price will not be more than HK$77.70 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Tuesday, April 21, 2026 (Hong Kong time) between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators and us, the Global Offering will not proceed and will lapse.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators and with the consent of our Company, may, where considered appropriate, reduce the number of Hong Kong Offer Shares and/or the maximum Offer Price 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, an announcement will be published on the websites of our Company and the Stock Exchange and the offer will be canceled and relaunched at the revised number of Offer Shares and/or the maximum Offer Price and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new prospectus (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in "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 Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators if certain events occur prior to 8:00 a.m. on the Listing Date. See "Underwriting" for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares may be offered, sold or delivered (a) 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 or (b) outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**https://www.huaqin.com/**). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

April 15, 2026

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

The Company has adopted a fully electronic application process for the Hong Kong Public Offering. The Company will not provide printed copies of this Prospectus in relation to the Hong Kong Public Offering.

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 **https://www.huaqin.com/**. You may download and print from these website addresses if you want a printed copy of this Prospectus.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online via the **HK eIPO White Form** service at **www.hkeipo.hk**; or

(2) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instructions.

The Company will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this Prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this Prospectus is available online at the website addresses stated above.

Please refer to "How to Apply for Hong Kong Offer Shares" in this Prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

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	7,848.36	2,500	196,209.01	30,000	2,354,508.14	600,000	47,090,162.70
200	15,696.72	3,000	235,450.81	40,000	3,139,344.18	700,000	54,938,523.16
300	23,545.08	3,500	274,692.62	50,000	3,924,180.23	800,000	62,786,883.60
400	31,393.45	4,000	313,934.42	60,000	4,709,016.26	900,000	70,635,244.06
500	39,241.81	4,500	353,176.22	70,000	5,493,852.31	1,000,000	78,483,604.50
600	47,090.16	5,000	392,418.02	80,000	6,278,688.35	1,500,000	117,725,406.76
700	54,938.52	6,000	470,901.63	90,000	7,063,524.40	2,000,000	156,967,209.00
800	62,786.88	7,000	549,385.24	100,000	7,848,360.46	2,500,000	196,209,011.26
900	70,635.24	8,000	627,868.83	200,000	15,696,720.90	2,927,400(1)	229,752,903.81
1,000	78,483.61	9,000	706,352.44	300,000	23,545,081.36		
1,500	117,725.41	10,000	784,836.05	400,000	31,393,441.80		
2,000	156,967.21	20,000	1,569,672.09	500,000	39,241,802.26		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 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, the Company will issue an announcement in Hong Kong to be published on the Company's website at https://www.huaqin.com/ and the website of the Stock Exchange at www.hkexnews.hk.

Hong Kong Public Offering commences . . . . .9:00 a.m. on Wednesday, April 15, 2026

Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . .11:30 a.m. on Monday, April 20, 2026

Application lists open[3] . . . . .11:45 a.m. on Monday, April 20, 2026

Latest time to (a) complete payment of **HK eIPO White Form** applications by effecting Internet banking transfers(s) or PPS payment transfer(s) and (b) give **electronic application instructions** to HKSCC[4] . . . . .12:00 noon on Monday, April 20, 2026

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

Application lists close[3] . . . . .12:00 noon on Monday, April 20, 2026

Expected Price Determination Date[5] . . . . .at or before 12:00 noon on Tuesday, April 21, 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 Stock Exchange at **www.hkexnews.hk** and the Company's website at **https://www.huaqin.com/** . . . . .no later than 11:00 p.m. on Wednesday, April 22, 2026

Announcement of results of allocations in the Hong Kong Public Offering (including successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (as described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus), including:	
• in the announcement to be posted on the Company's website and the website of the Stock Exchange at **https://www.huaqin.com/** and **www.hkexnews.hk**, respectively	11:00 p.m. on Wednesday, April 22, 2026
• from the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function on a 24-hour basis from	11:00 p.m. on Wednesday, April 22, 2026 to 12:00 midnight on Tuesday, April 28, 2026
• from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from	Thursday, April 23, 2026 to Tuesday, April 28, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)
H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[(6)(9)]	Wednesday, April 22, 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 per Offer Share 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)]	Thursday, April 23, 2026
Dealings in H Shares on the Stock Exchange expected to commence at	9:00 a.m. on Thursday, April 23, 2026

Notes:

(1) All times and dates refer to Hong Kong local times and dates.

(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 the 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, Extreme Conditions and/or a "black" rainstorm warning at any time between 9:00 a.m. and 12:00 noon on Monday, April 20, 2026, the application lists will not open or close on that day. For further details, please refer to "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" of this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via **HKSCC EIPO** channel or instructing your broker or custodian to apply on your behalf via **HKSCC EIPO** channel should refer to "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" of this prospectus.

(5) The Price Determination Date is expected to be on or before Tuesday, April 21, 2026. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators and us by 12:00 noon on Tuesday, April 21, 2026 the Global Offering will not proceed and will lapse.

(6) The H Share certificates are expected to be issued on Wednesday, April 22, 2026 but will only become valid provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be at around 8:00 a.m. on Thursday, April 23, 2026. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of the H Share certificates and before they become valid do so entirely of their own risk.

(7) None of the website or any of the information contained on the websites forms part of this prospectus.

(8) **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applications if the 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 being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, 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 evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to "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 checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Any uncollected H Share certificates will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in "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. You should read carefully the sections headed "Underwriting", "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" of this prospectus for details relating to the structure of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and H Share certificates.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make 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, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, 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. Information contained in our website, located at (https://www.huaqin.com/), does not form part of this prospectus.

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

OVERVIEW

Who We Are

We are a smart product platform with over 20 years of expertise in smart products that integrate core technologies including AI, IoT, big data and communication technologies and incorporate intelligent functions. Drawing on this experience, we support the development and implementation of products and technologies across the mobile communication, internet, cloud computing and AI eras. We provide global technology companies with a diverse range of smart products, covering mobile terminals, computing and data center business, AIoT, and innovative business. We have established strong leadership in our core product domains. According to CIC, we are a full-stack smart product ODM platform, ranking first worldwide across multiple smart product categories. In addition, according to CIC, we were the largest consumer electronics ODM company worldwide in 2024 in terms of global ODM shipments of consumer electronics, with a market share of 22.5%. We were also the second largest smartphone ODM company worldwide in 2024 in terms of global ODM shipments of smartphones, with a market share of 25.9%, the largest tablet ODM company worldwide in 2024 in terms of global ODM shipments of tablets, with a market share of 37.9%, and the largest smart wearable ODM company worldwide in 2024 in terms of global ODM shipments of smart wearables, with a market share of 18.7%. In addition, we ranked fourth globally and first in China among laptop ODM companies in terms of global ODM shipments of laptops in 2024, with a market share of 9.6%. In terms of revenue generated from digital infrastructure business in China in 2024, we ranked sixth among all digital infrastructure providers in China, with a market share of 5.0%.

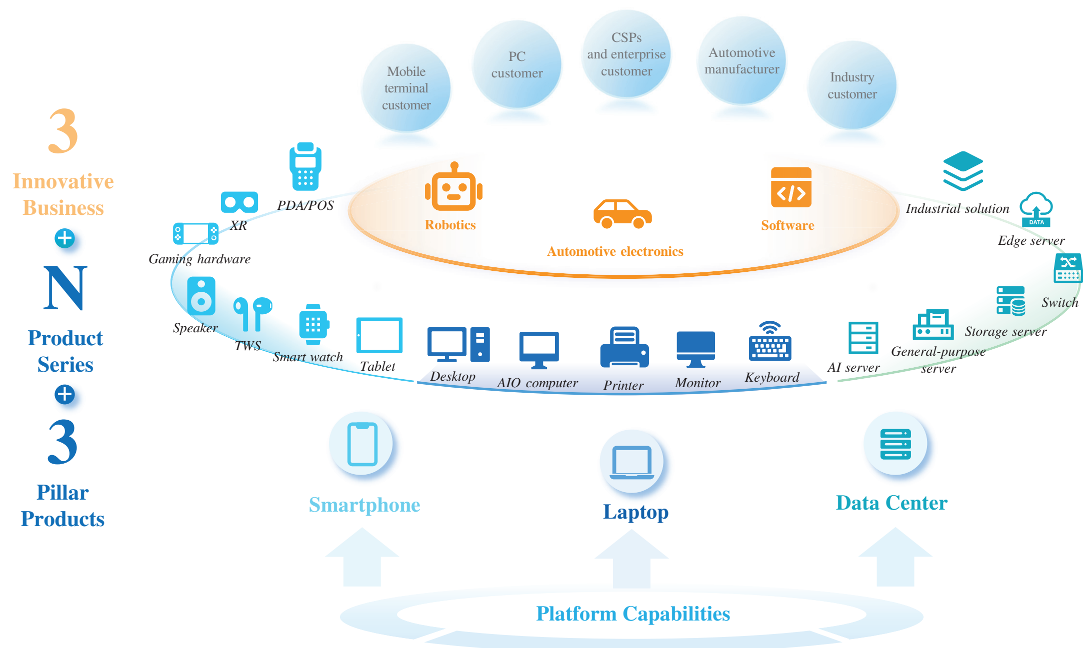
We have established a comprehensive smart product platform spanning multiple categories, enabling us to provide customers with end-to-end solutions. With a deep understanding of the diverse needs of global brand customers under various scenarios, we have established a strategic "3+N+3" product matrix that defines our product development priorities and guides our expansion into new fields.

- 3: Our business is rooted in three core product pillars: smartphones, laptops, and servers. These form the foundation of our offerings and represent our primary areas of expertise.

- N: Expanding from each of our three core product pillars, we have developed N types of related products that extend into adjacent businesses, including mobile terminals and AIoT, computing business and data center products.

- 3: We are continually exploring new opportunities in innovative areas such as automotive electronics, software and robotics to further serve emerging customer needs and diversify our portfolio.

According to CIC, we are one of the world's most comprehensive smart product ODM platforms in terms of product diversity. In addition, we are also the only ODM company globally to achieve a leading market position across smartphones, tablets, smart wearables, laptops and digital infrastructure products.



- We have capitalized on market opportunities arising from the intelligent transformation within the smartphone industry, and have been an established participant in global smartphone ODM market for years, since entering the mobile phone industry in 2005. As mobile terminals continue to redefine the way people interact with the world, we are broadening our product portfolio across tablets, smart wearables and AIoT, addressing consumer's daily needs across various scenarios for smart products globally. In terms of global ODM shipments in 2024, we were the world's largest tablet ODM company and smart wearable ODM company, according to CIC.

- Building on our extensive experience in smartphone ODM and operational efficiency, we rapidly expanded into the laptop sector and quickly scaled up our shipments. As AI computing emerging as a primary focus for the future of the smart office environment, we are expanding our product portfolio across AI PC, desktops, AIO computers, printers and other related products.

- Benefited from strong business foresight, we entered the data center business in 2017 and have since developed a comprehensive digital infrastructure product portfolio spanning AI servers, general-purpose servers and switches. Capitalizing on the growing investments in computing infrastructure, we have become a key supplier to leading internet companies and CSPs in China, while actively expanding our reach to enterprise customers.

- We also actively pursue opportunities with respect to innovative smart products such as automotive electronics, software and robotics. By working closely with our customers to co-develop cutting-edge technology applications, we leverage our extensive experience across a broad range of smart products to support our customers in new product development, enabling them to capture emerging opportunities while unlocking new growth curves for our long-term business expansion.

Our platform and product capabilities are widely and highly recognized across the globe. As of December 31, 2025, our customers included mainstream global industry players across mobile terminal brands, PC brands, CSPs and automotive manufacturers. The success of our customers continues to drive our business growth, further reinforcing our product and platform capabilities. We enhance our worldwide manufacturing and delivery capabilities by strategically expanding our global presence into Vietnam, Mexico and India.

Our Platform Capabilities

With over two decades of experience in smart product, we have accumulated and built our unique platform capabilities, giving us an edge in respect of our operations, development, manufacturing and mechanical components. Leveraging the platform's strengths in adaptability, synergy, and scalability, we can rapidly address customers' diverse needs, accelerate product innovation and iteration, and quickly expand our product portfolio. This enables us to capitalize on strategic growth opportunities and consistently deliver value to our customers. See "Business — Overview — Our Platform Capabilities."

Our Rich and Diverse Product Portfolio and Significant Market Opportunities

Mobile Terminals

Mobile terminals have been both the foundation of our strategic roadmap and a key driver of our steady business growth. We offer a comprehensive range of mobile terminal products, including smartphones, tablets and smart wearables.

Looking forward, the increasing AI adoption is expected to drive a new cycle of innovation for mobile terminals and continuously enrich product categories, significantly enhancing the intelligent interactive experience. According to CIC, total global shipments of smartphones, tablets and smart wearables are expected to increase from 1,975.0 million units in 2025, to 2,321.4 million units by 2030, representing an increase of 346.3 million units. At the same time, platform-based ODM companies are improving their innovation and operation capabilities, fueling further ODM penetration. Notably, smartphone ODM penetration is expected to increase from 44.8% in 2025 to 55.0% by 2030, representing 225.6 million units incremental ODM shipments. As an industry leader, we are committed to delivering long-term value for global mobile terminal brands and we expect to expand our market share by capitalizing on growing product shipment and ODM penetration.

Computing and Data Center Business

In addition to fulfilling the global demand for mobile devices, we remain committed to expanding and diversifying workplace and digital productivity tools for users.

PCs

AI is reshaping the productivity tools people use in the workplace. Drawing on our extensive expertise in mobile terminals, we have built core capabilities around laptops, including industrial design, intelligent hardware-software integration, high-computing power adaptation, cross-device collaboration, and multi-screen connectivity, continuously deepening our understanding of the multi-platform system architecture. Our mature mass production strengthens our position as we seize growth prospects from product upgrades.

According to CIC, global ODM shipments of laptops are expected to increase from 167.1 million units in 2025 to 193.0 million units in 2030, of which the ODM shipments of laptops in China as percentage of the total global ODM shipments of laptops is expected to increase from approximately 11% in 2024 to nearly 25% by 2030. Among the global top five laptop ODM companies, we recorded the highest CAGR of ODM shipments of laptops from 2022 to 2024, according to CIC. As the largest laptop ODM company in Chinese Mainland in 2024, our strengths in integrated product development, hardware and software leadership, intelligent manufacturing, and efficient operations with synergies position us to further grow our share in the global laptop ODM market.

Digital infrastructure products

Driven by the rise of AI data centers and the increasing demand for next-generation computing infrastructure in the era of AGI, we have positioned ourselves as one of the few domestic providers with both server and switch technology capabilities.

Our server offerings feature advanced technical architecture, compatible with mainstream GPU and CPU platforms, delivering intelligent computing capabilities characterised by high data rate, large bandwidth, low latency, and high reliability. These servers incorporate advanced technologies, such as network, liquid cooling, high-efficiency power supplies, and integrated hardware-software systems, thereby fully supporting high-performance computing scenarios. Our switch products provide high-speed connectivity solutions ranging from 100G to 800G. Leveraging modular architecture and a unified control platform, our switches enable flexible expansion and ultra-low latency, efficiently meeting the requirements of large-scale networking deployments.

The rapid advancement of AI applications is driving sustained growth in computing infrastructure investment. Leveraging our strong technological foundation and global supply chain ecosystem, we are able to respond quickly to customer demands for both high-performance and highly customised solutions. Through efficient operations, cross-platform R&D, and robust cluster adaptation capabilities, we deliver end-to-end solutions to customers, capturing significant opportunities amid the rapid growth of data infrastructure products in the AI era.

AIoT Products

Under the development trajectory of the IoT, the integration of AI with IoT technologies is rapidly advancing the adoption of AIoT hardware. To continuously meet diverse product needs of consumers, we have built a robust AIoT product portfolio covering gaming hardware, smart home and XR products, bringing a comprehensive intelligent living experience to billions of consumers worldwide.

Advances in cutting-edge technology are delivering more immersive interactivity and improved content display on AIoT products, which is in turn increasing global demand of such products. In the XR and smart home sectors, according to CIC, the global market sizes of XR and smart home products industries are expected to achieve CAGRs of 27.7% and 10.3% respectively from 2025 to 2030. Our long-term focus and deep experience in AIoT position us to capture the growth opportunities emerging in this expanding market.

Innovative Business

We maintain a strong commitment to product innovation, continuously investing in automotive electronics, robotics, software, smart industrial products and other emerging sectors where we have already achieved notable progress. In automotive electronics, we have established a development and manufacturing platform that meets rigorous automotive-grade standards, covering hardware, software, interaction, and testing. Our achievements include successful shipments in smart cockpit systems, display screens, and intelligent driver assistance products. Within robotics, our product offering has expanded from robotic vacuum cleaners to general-purpose robotics. The rich data generated from our various in-house manufacturing scenarios support the continuous improvement of our industrial robot products and enables effective cross-application integration. We also hold strong expertise in integrated software development across different platforms, operating systems, and products, according to CIC. By customizing our solutions to customer needs, we continually explore new business growth curves, building a mutually beneficial hardware-software ecosystem. In 2023, 2024 and 2025, our revenue from the innovative business achieved period-to-period growth of 32.9%, 91.9% and 121.0%, respectively, reflecting rapid growth momentum.

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

- Technology-driven smart product platform
- Highly competitive and diversified product portfolio
- Fostering a prosperous and diversified ecosystem with large global customers
- Industry-leading full-stack R&D and product innovation capabilities
- High-quality and efficient intelligent manufacturing and global delivery capabilities
- Comprehensive and expanding global operations
- Experienced and visionary management team and strong organizational capabilities

OUR STRATEGIES

We intend to pursue the following strategies.

- To advance the "3+N+3" strategy to expand our coverage across ecosystem and value chain
- Continue to enhance value-creating capabilities for customers to retain and expand our high-quality customer base
- Continue to increase R&D investment to solidify technology leadership and extend growth trajectory
- Continue to strengthen our capabilities in global operations and advanced manufacturing
- To enhance vertical integration and further pursue horizontal expansion
- Continue to improve talent and organizational management system

RESEARCH AND DEVELOPMENT

We regard technological R&D capabilities as the primary driving force for our sustained growth. We are committed to making investments in R&D. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses amounted to RMB4,547.5 million, RMB5,155.8 million and RMB6,363.5 million. We plan to continue investing in R&D to deliver high quality products and services to our customers. As of December 31, 2025, we held approximately 3,500 domestic registered patents, over 50 international registered patents and approximately 2,100 registered software copyrights.

OUR TECHNOLOGY

Driven by efficient R&D management and sustained resource investment, we have built core technologies across key areas, including product design, manufacturing, quality control, and supply chain management. According to CIC, we are among the few smart product ODM companies with advanced capabilities across hardware, software and mechanical component development, demonstrating a technological edge over our peers. The following set forth the description of our key technologies across hardware, software and mechanical component development. See "Business — Our Technology."

MANUFACTURING

Over the years, we have established a comprehensive global manufacturing footprint in both China and overseas markets. Leveraging the geographic advantages of Dongguan and Nanchang in China, we have established large-scale manufacturing centers in both locations. In addition, we have expanded our global presence by strategically establishing manufacturing facilities in Vietnam, Mexico and India. See "Business — Manufacturing."

CUSTOMERS AND SUPPLIERS

Our customers primarily consist of domestic and international well-known mobile terminal brands, personal computer brands, CSPs, and automotive manufacturers. For the years ended December 31, 2023, 2024 and 2025, our overseas sales revenue amounted to RMB56,291.1 million, RMB56,402.5 million and RMB92,247.0 million, respectively, representing 66.0%, 51.3% and 53.8% of our total revenue for the same periods. For each year ended December 31, 2023, 2024 and 2025, sales to our largest customer accounted for 25.9%, 18.9% and 14.9% of our revenue, respectively, while our five largest customers for the same periods accounted for 64.6%, 56.7% and 54.1% of our revenue, respectively. During the Track Record Period, we generally granted a credit period of 30 to 90 days to our customers.

Our suppliers primarily include providers for raw materials, equipment and production consumables, as well as outsourced manufacturing service providers and external R&D and testing partners. The credit period granted by our suppliers was generally between 30 to 120 days during the Track Record Period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statement of profit or loss for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Revenue	85,338,484	109,877,987	171,436,927
Cost of sales	(76,001,568)	(99,994,465)	(158,206,431)
Gross profit	**9,336,916**	**9,883,522**	**13,230,496**
Other income	758,390	995,154	945,434
Other gains and losses, net	364,714	319,939	498,366
Provision for impairment losses	(342,849)	(117,719)	(209,375)
Selling expenses	(199,203)	(217,277)	(338,784)
General and administrative expenses	(2,198,241)	(2,323,331)	(3,031,079)

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Research and development expenses	(4,547,527)	(5,155,807)	(6,363,453)
Finance costs	(270,331)	(244,092)	(308,359)
Share of results of associates	(66,652)	(103,325)	52,687
Profit before tax	**2,835,217**	**3,037,064**	**4,475,933**
Income tax expenses	(178,207)	(120,713)	(344,358)
Profit for the year	**2,657,010**	**2,916,351**	**4,131,575**

Revenue

During the Track Record Period, we generated our revenue from (i) mobile terminals, mainly including smartphones, tablets and smart wearables, (ii) computing and data center business, mainly including PCs and digital infrastructure products. We group these two product categories together as the development of our data center business has benefited from the reuse and migration of technologies from our computing business. The two product lines shared certain technical roadmaps and R&D approaches. In the early stages of our development, they were managed within a closely coordinated resource allocation, (iii) AIoT products, such as smart home devices, XR products, and gaming hardware, (iv) innovative business, mainly including automotive electronics and industrial products, robotics products and software, and (v) others, mainly including sales of materials and scrap.

Revenue by Business Segment

The following table sets forth a breakdown of our revenue by business segment for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Mobile terminals	48,039,458	56.3	51,035,492	46.4	80,209,938	46.8
Computing and data center business	33,691,401	39.5	49,677,701	45.2	75,475,018	44.0
AIoT	1,633,586	1.9	4,672,515	4.3	7,884,923	4.6
Innovative business	821,269	1.0	1,576,356	1.4	3,483,787	2.0
Others[(1)]	1,152,770	1.3	2,915,923	2.7	4,383,261	2.6
Total	85,338,484	100.0	109,877,987	100.0	171,436,927	100.0

Note:

(1) Others primarily includes sales of materials and scrap.

In 2023, 2024 and 2025, our revenue was RMB85,338.5 million, RMB109,878.0 million and RMB171,436.9 million, respectively. The fluctuations in revenue generated from mobile terminals were primarily due to price fluctuations in raw materials, which affected the sales price offered to our customers, our efforts in deepening cooperation with our existing customers and the expansion of our customer base. Specifically, our revenue generated from mobile terminals experienced growth from 2023 to 2024, primarily due to an increase in our ODM shipments of smartphones and smart wearables mainly as a result of (i) the recovery and growth of global consumer electronics industry, and (ii) our efforts to deepen the cooperation with customers by broadening the product range, which led to increased market share and enhanced customer loyalty. Our revenue generated from mobile terminals experienced significant growth from 2024 to 2025, primarily as a result of (i) an increase in sales volume of our smartphones and tablets as we deepened cooperation with a number of industry leading customers by broadening the product range, and (ii) the expansion of the customer base of our smart wearables through acquisition of a subsidiary.

During the Track Record Period, we experienced continued growth in our revenue generated from computing and data center business, AIoT products and innovative business. Growth in our revenue generated from computing and data center business was primarily driven by the increasing demand for computing power amidst the continuous expansion of the AI industry. Increases in revenue generated from our AIoT products were primarily due to continuous expansion of our product portfolio during the Track Record Period. In addition, the increases in revenue from innovative business were primarily driven by the continuous expansion of our customer base and product portfolio.

Sales Volume and Average Selling Price

The following table sets forth the sales volume and average selling price of products sold by business line for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	(Units in thousand)	*(RMB)*	*(Units in thousand)*	*(RMB)*	*(Units in thousand)*	*(RMB)*
Mobile terminals	189,077	254	206,217	247	282,461	284
Computing and data center business	16,095	2,093	22,700	2,188	18,864	4,001
AIoT	5,837	280	12,367	378	18,025	437
Innovative business	1,492	550	3,732	422	5,469	637
Total	212,501	402	245,016	448	324,818	528

Our sales volume increased by 15.3% from 212.5 million in 2023 to 245.0 million in 2024, primarily driven by our continuous efforts in product diversification and customer expansion. Our sales volume increased by 32.6% from 245.0 million in 2024 to 324.8 million in 2025, primarily as we continued to expand and upgrade our product portfolio.

During the Track Record Period, our average selling price was primarily influenced by our product mix. Our wide range of products have different selling price. Even within the same category of products, we offer an extensive range of different products with varying prices. Specifically, the unit selling prices of our AI servers, mostly in the range of several hundred thousand RMB, are higher than those of our other computing and data center offerings, mostly below RMB10,000. As a result, fluctuations in the sales volume of server products have a significant impact on the average selling price of our computing and data center business. Our average selling price remained relatively stable at RMB448 in 2024, as compared to RMB402 in 2023. Our average selling price increased from RMB448 in 2024 to RMB528 in 2025, primarily due to an increase in sales volume of our AI servers, which had a higher unit selling price.

Revenue by Geographic Region

During the Track Record Period, we sold our products to various customers worldwide. The following table sets forth a breakdown of our revenue by geographic region, based on the places of incorporation of our customers' contracting entities, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Chinese Mainland	29,047,388	34.0	53,475,524	48.7	79,189,892	46.2
Overseas	56,291,096	66.0	56,402,463	51.3	92,247,035	53.8
– Hong Kong SAR	13,259,737	15.5	14,975,139	13.6	14,037,908	8.2
– Asia (other than Chinese Mainland and Hong Kong SAR)[1]	37,714,933	44.2	31,410,899	28.6	51,945,430	30.3
– United States	4,053,828	4.8	8,403,353	7.6	17,258,081	10.1
– Other regions[2]	1,262,598	1.5	1,613,072	1.5	9,005,616	5.2
Total	85,338,484	100.0	109,877,987	100.0	171,436,927	100.0

Notes:

(1) Asia (other than Chinese Mainland and Hong Kong SAR) primarily includes South Korea, India, Taiwan, Japan and Singapore.

(2) Other regions primarily include Brazil, Germany, Finland, Ireland and Egypt.

During the Track Record Period, our revenue from Chinese Mainland increased continuously both in absolute amounts and as a percentage of our total revenue, primarily as riding on development of the AI industry, we expanded our cooperation with a number of customers for our data products in Chinese Mainland during the Track Record Period. During the Track Record Period, our revenue from Asia (other than Chinese Mainland and Hong Kong SAR) primarily concentrated on customers in the consumer electronics industry. Our revenue from Asia (other than Chinese Mainland and Hong Kong SAR) decreased in 2024, primarily due to increased supplier competition for customers in Asia. Our revenue from Asia (other than Chinese Mainland and Hong Kong SAR) increased in 2025, primarily due to an increase in sales volume of smartphone products in Asia. Our revenue from the United States continued to increase since 2024. These increases were primarily driven by (i) expansion of customer base in emerging sectors, such as XR products, and (ii) the acquisition of a subsidiary whose customers were primarily located in the United States.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margins by business segment for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	(Amount)	*(%)*	*(Amount)*	*(%)*	*(Amount)*	*(%)*
	(RMB in thousands, except for percentages)					
Mobile terminals	6,909,392	14.4	4,960,330	9.7	7,205,111	9.0

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(Amount)	*(%)*	*(Amount)*	*(%)*	*(Amount)*	*(%)*
	(RMB in thousands, except for percentages)					
Computing and data center business	1,846,599	5.5	3,738,812	7.5	4,528,898	6.0
AIoT products	341,483	20.9	790,383	16.9	857,742	10.9
Innovative business	148,511	18.1	302,014	19.2	480,571	13.8
Others	90,931	7.9	91,983	3.2	158,174	3.6
Total	**9,336,916**	**10.9**	**9,883,522**	**9.0**	**13,230,496**	**7.7**

In 2023, 2024 and 2025, our overall gross profit margin was 10.9%, 9.0% and 7.7%, respectively. Our gross profit margin is highly affected by the change in our product mix. Our wide range of products have different margin profile. Even within the same category of products, we offer an extensive range of different products with varying margin profiles. In particular, the decrease in the gross profit margin for our mobile terminals in 2024 was primarily driven by price fluctuations in upstream markets in 2023, which resulted in relatively low average procurement costs of our raw materials in 2023. The decrease in the gross profit margin for our mobile terminals in 2025 as compared to 2024 was primarily due to an increased revenue contribution from smartphones, which had a lower gross profit margin. During the Track Record Period, the gross profit margin for our AIoT products continued to decrease, primarily due to the expansion of our product portfolio and increases in revenue contribution from speakers and XR products, which had relatively lower gross profit margins. In addition, the gross profit margin for our innovative business decreased in 2025, primarily due to an increase in revenue contribution from automotive electronics, which had a relatively lower gross profit margin.

The following table sets forth our gross profit and gross profit margins by geographic region for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
		(%)		*(%)*		*(%)*
	(RMB in thousands, except for percentages)					
Chinese Mainland	3,465,875	11.9	4,473,890	8.4	6,012,398	7.6
Overseas	5,871,041	10.4	5,409,632	9.6	7,218,098	7.8
– Hong Kong SAR	597,420	4.5	1,341,384	9.0	1,013,332	7.2
– Asia (other than Chinese Mainland and Hong Kong SAR)[(1)]	4,483,626	11.9	2,780,930	8.9	3,565,187	6.9
– United States	559,250	13.8	1,091,982	13.0	1,966,829	11.4
– Other regions[(2)]	230,745	18.3	195,336	12.1	672,750	7.5
Total	**9,336,916**	**10.9**	**9,883,522**	**9.0**	**13,230,496**	**7.7**

Notes:

(1) Asia (other than Chinese Mainland and Hong Kong SAR) primarily includes South Korea, India, Taiwan, Japan and Singapore.

(2) Other regions primarily include Brazil, Germany, Finland, Ireland and Egypt.

During the Track Record Period, our gross profit margin in different geographic regions was primarily affected by differences and changes in our product mix mainly as a result of expansion of our product portfolio and changes in our customers' shipment schedule of different types of products. In particular, during the Track Record Period, the gross profit margin in Chinese Mainland was affected by the increasing revenue contribution from our digital infrastructure products and smartphones in Chinese Mainland, which had lower gross profit margins due to higher procurement costs for key raw materials. Our gross profit margin in Hong Kong SAR increased in 2024 primarily due to the enhanced product competitiveness accompanied with optimized cost management and operational efficiency of our PC products, which accounted for the majority of our sales in Hong Kong SAR.

Profits for the Period

In 2023, 2024 and 2025, our profit was RMB2,657.0 million, RMB2,916.4 million and RMB4,131.6 million, respectively.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	15,375,824	20,075,267	25,458,636
Total current assets	36,133,812	56,221,556	70,746,992
Total assets	51,509,636	76,296,823	96,205,628
Total current liabilities	28,425,753	49,668,933	63,700,621
Net current assets	7,708,059	6,552,623	7,046,371
Total assets less current liabilities	23,083,883	26,627,890	32,505,007
Net assets	20,843,047	22,924,060	26,345,328

Net Current Assets

Our net current assets increased by 7.5% from RMB6,552.6 million as of December 31, 2024 to RMB7,046.4 million as of December 31, 2025, primarily due to (i) an increase in trade and bills receivables of RMB8,861.7 million, primarily in line with the growth in our revenue, (ii) an increase in our inventories of RMB3,147.8 million, primarily in line with our business expansion and (iii) an increase in our restricted bank deposits of RMB1,503.8 million, partially offset by an increase in trade and bills payables of RMB7,925.5 million in relation to raw material purchases in line with the increases in our sales volume.

Our net current assets decreased by 15.0% from RMB7,708.1 million as of December 31, 2023 to RMB6,552.6 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB11,089.4 million related to increased sales volume in line with our business expansion and (ii) an increase in borrowings of RMB4,335.6 million to support our business expansion.

Net Assets

Our net assets increased by 14.9% from RMB22,924.1 million as of December 31, 2024 to RMB26,345.3 million as of December 31, 2025, primarily due to (i) our profit for the year of RMB4,131.6 million and (ii) capital injection by NCI of RMB157.5 million, partially offset by dividend paid of RMB907.0 million. Our net assets increased by 10.0% from RMB20,843.0 million as of December 31, 2023 to RMB22,924.1 million as of December 31, 2024, primarily due to (i) our profit for the year of RMB2,916.4 million and (ii) increase of non-controlling interest of RMB375.8 million from purchase of a subsidiary.

Summary of Consolidated Statements of Cash Flow

The following table sets forth a summary of our consolidated cash flow statement for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash generated from/(used in) operating activities	3,849,780	1,375,754	(223,312)
Net cash used in investing activities	(3,324,808)	(3,619,454)	(7,383,631)
Net cash generated from financing activities	5,437,305	3,348,043	6,691,630
Net increase/(decrease) in cash and cash equivalents	5,962,277	1,104,343	(915,313)
Cash and cash equivalents at the beginning of the period	4,502,971	10,230,638	11,425,180
Effect of exchange rate changes	(234,610)	90,199	(239,619)
Cash and cash equivalents at the end of the period	10,230,638	11,425,180	10,270,248

We recorded net cash used in operating activities of RMB223.3 million in 2025, primarily due to our intensive working capital and high level of inventories to support our rapid business growth during the period. We will continue to monitor our cash flows from operations closely and improve our net operating cash out flows position through a variety of means, including (i) refining our supply chain management through improving our overall working capital turnover including inventory turnover, accounts receivables and payables turnover, and (ii) improving profitability through optimizing cost structure and product portfolio.

KEY FINANCIAL RATIOS

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

	As of/Year ended December 31,		
	2023	2024	2025
Revenue growth rate[1]	(7.9%)	28.8%	56.0%
Gross profit margin[2]	10.9%	9.0%	7.7%
Net profit growth rate[3]	5.7%	9.8%	41.7%
Return on equity[4]	16.3%	13.5%	16.9%
Current ratio[5]	1.3	1.1	1.1
Quick ratio[6]	1.1	0.9	0.9

Notes:

(1) Revenue growth rate is calculated as the increase in revenue for the current year compared to the previous year, divided by revenue for the previous year and multiplied by 100%.

(2) Gross profit margin is calculated as gross profit for the year divided by revenue for the corresponding year and multiplied by 100%.

(3) Net profit growth rate is calculated as the increase in net profit for the current year compared to the previous year, divided by net profit for the previous year and multiplied by 100%.

(4) Return on equity is calculated as profit for the year attributable to the owners of our Company divided by the average balance of equity attributable to owners of our Company and multiplied by 100%.

(5) Current ratio is calculated as total current assets as at the end of the year divided by total current liabilities as at the end of the corresponding year.

(6) Quick ratio is calculated as total current assets less inventories as at the end of the year and divided by total current liabilities as at the end of the corresponding year.

RULE 13.46(2) OF THE LISTING RULES

Rule 13.46(2) of the Listing Rules requires a PRC issuer to send an annual report or a summary financial report to its shareholders within four months after the end of the financial year to which the report relates. Since (1) this Prospectus already includes the financial information of the Company for the year ended December 31, 2025 as required under Appendix D2 to the Listing Rules in relation to annual reports; (2) we will not be in breach of the Articles of Association, laws and regulations of the PRC or other regulatory requirements as a result of not distributing such annual reports and accounts; and (3) we have complied with the applicable code provisions in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, we will not separately prepare and publish and send an annual report to our Shareholders for the year ended December 31, 2025. In addition, we will issue an announcement by April 30, 2026 stating that we will not separately prepare and send an annual report to our Shareholders for the year ended December 31, 2025 as the relevant financial information has been included in this Prospectus. We will still comply with the requirements under Rule 13.91(5) of the Listing Rules.

RISK FACTORS

Our operations and the Global Offering involve certain risks and uncertainties, including (i) risks relating to our business and industry, (ii) risks relating to where we conduct business, and (iii) risks relating to the Global Offering, which are set out in the section headed "Risk Factors" in this Prospectus. You should read that section in its entirety carefully before you decide to invest in the Offer Shares. Some of the major risks we face include, but are not limited to:

- The expansion and profitability of our business depend on the level of consumer demand and spending on smart products, which could be affected by factors beyond our control.

- Changes in industry standards and technical requirements relevant to our products and markets could adversely affect our results of operations and business prospects.

- We operate in highly competitive markets. If we cannot compete effectively, our market share and profitability could be adversely affected.

- Our research and development efforts are not guaranteed to yield the results we anticipate.

- Our business is subject to legal, regulatory, political, economic, commercial and other risks associated with conducting operations in various jurisdictions.

- We may not be able to effectively manage the pricing of our products in case of any decrease in our bargaining power or changes in market conditions.

- We may not be able to successfully execute our growth strategies and manage the associated challenges in new and evolving business areas.

- We derived a substantial portion of revenue from certain major customers during the Track Record Period and the loss of, or a significant reduction in, revenue from such customers could materially and adversely affect our results of operations.

- Our success depends on a stable and adequate supply of raw materials which are subject to price volatility and other risks.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there had been no material adverse change in our business, financial conditions and results of operations since December 31, 2025, which is the end date of the years reported on in the Accountants' Report as set out in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants' Report as set out in Appendix I to this document.

According to the Notice by the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises from Overseas Listings (Draft for Comments) (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知（徵求意見稿）》), domestic enterprises raising funds through overseas listings are required to promptly remit the raised funds back to China. Where any portion of the funds is to be retained offshore for purposes such as overseas direct investment, overseas securities investment, or offshore lending, the relevant approval or filing documents from the competent regulatory authority must be obtained prior to the completion of the overseas listing or the exercise of any over allotment option. In such cases, the retention and use of funds offshore must also comply with applicable cross-border fund management regulations. Although we intend to use our net proceeds in offshore investments, as of the Latest Practicable Date, we had not finalized any specific investment projects. See "Future Plans and Use of Proceeds." In compliance with applicable PRC regulations, we may be required to obtain prior approval from, or complete registration with the SAFE or authorized banks before deploying the proceeds for any overseas investment.

See "Risk Factors — Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends, deploy our proceeds from the Global Offering and other obligations, and may affect the value of your investment."

In July 2025, the Group entered an agreement to acquire 6% equity interests of Nexchip Semiconductor Corporation (合肥晶合集成電路股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 688249), which is a semiconductor foundry specializing in integrated circuit production. The consideration of the transaction was approximately RMB 2,393 million. The transaction was completed in August 2025.

In March 2026, we declared dividends in the aggregate amount of RMB1,215.8 million for the year ended December 31, 2025, which will be settled in June 2026. See "Financial Information — Dividends."

OUR PREVIOUS LISTING ATTEMPT

Our Company submitted an application to the Shanghai Stock Exchange (上海證券交易所) for listing on the Science and Technology Innovation Board (科創板) (the "STAR Market") ("Previous Listing Attempt"), which was accepted in June 2021. In April 2022, our Company voluntarily withdrew its application, having considered that a listing on the Main Board of the Shanghai Stock

Exchange would be more conducive to its future capital management and sustainable development. Prior to such voluntary withdrawal of the Previous Listing Attempt, we had received enquiries from Shanghai Stock Exchange in relation to the Previous Listing Attempt and these enquiries had been fully addressed.

Our Directors confirm that, to the best of their knowledge, information and belief, they are not aware of any material matters relating to the Previous Listing Attempt that would affect the Company's suitability for listing on the Stock Exchange and any other matters that need to be brought to the attention of the Stock Exchange and potential investors in relation to the Previous Listing Attempt.

Having made due and reasonable inquiries of the Company, reviewed the Previous Listing Attempt application and termination records, and received confirmations from the professional parties involved in the Previous Listing Attempt that there was no disagreement between such professional parties and the Company, the Joint Sponsors are of the view that there are no matters arising from the Previous Listing Attempt that need to be brought to the attention of the Stock Exchange.

OUR LISTING ON THE MAIN BOARD OF SHANGHAI STOCK EXCHANGE

Since August 2023, our Company's A Shares have been listed on the main board of Shanghai Stock Exchange. Our Directors confirmed that, since its listing on the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisor advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respect.

OUR CONTROLLING SHAREHOLDER GROUP

As of the Latest Practicable Date, Mr. Qiu Wensheng is a direct beneficial owner of 48,746,040 Shares of our Company and controls 321,300,000 Shares of our Company through Shanghai Aoqin and 56,700,000 Shares of our Company through Shanghai Haixian. Both Shanghai Aoqin and Shanghai Haixian are ultimately controlled by Mr. Qiu Wensheng. In addition, Mr. Qiu Wenhui, brother of Mr. Qiu Wensheng, is a direct beneficial owner of 18,060 Shares of our Company and controls 13,750,943 Shares of our Company through Fujian Yuexiang, which was held by Mr. Qiu Wenhui as to 90% as a limited partner and as to 10% by Ms. Lin Min (the spouse of Mr. Qiu Wenhui) as the general partner of Fujian Yuexiang. Ms. Lin Min has taken up the role as the general partner of Fujian Yuexiang purely based on the marital property arrangement between Mr. Qiu Wenhui and Ms. Lin Min. Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui and Fujian Yuexiang are the parties acting in concert with Mr. Qiu Wensheng pursuant to applicable PRC laws. In addition, as advised by our PRC Legal Advisor, Ms. Lin Min is the general partner of Fujian Yuexiang, and Fujian Yuexiang is deemed to be controlled by Ms. Lin Min pursuant to the applicable PRC laws and the partnership agreement of Fujian Yuexiang. Therefore, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang were in aggregate entitled to exercise the voting rights attached to 440,515,043 Shares and approximately 43.37% of our Shares in issue and constituted our Controlling Shareholders Group as of the Latest Practicable Date pursuant to the applicable PRC laws and regulations and Rule 19A.14 of the Listing Rules.

Immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang will be entitled to exercise in aggregate the voting rights attached to approximately 40.98% of our Shares in issue. Assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui and Fujian Yuexiang will be entitled to exercise in aggregate the voting rights attached to approximately 40.30% of our Shares in issue. Accordingly, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang will remain as the Controlling Shareholders Group of our Company upon Listing.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 58,548,200 H Shares are newly issued in the Global Offering, (ii) the Over-allotment Option and the Offer Size Adjustment Option are not exercised, and (iii) 1,074,064,597 Shares are in issue and outstanding following the completion of Global Offering.

	Based on the maximum Offer Price of HK$77.70 per Share
Market capitalization of our Shares(1)	HK$103,999.4 million
Market capitalization of our H Shares(2)	HK$4,549.2 million
Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share(3)	HK$29.59

Notes:

(1) The calculation of market capitalisation of our Shares is based on the assumption that (i) 58,548,200 H Shares will be in issue immediately after completion of the Global Offering (assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised) based on the maximum Offer Price; and (ii) 1,015,516,397 A Shares (excluding 215,947 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares) in issue with an average closing price of the Company for the five trading days on and immediately preceding the Latest Practicable Date at RMB86.13 (or approximately HK$97.93) per A Share.

(2) The calculation of market capitalization of our H Shares is based on 58,548,200 H Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised).

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share is calculated based on the total of 1,067,444,118 shares (representing 1,015,732,344 shares in issue as of December 31, 2025, excluding 2,527,527 treasury shares held by the Company in treasury and 4,308,899 restricted shares which are contingently returnable as of December 31, 2025, adding 58,548,200 offer shares under the Global Offering), assuming that the Global Offering had been completed on December 31, 2025 but does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option and the Offer Size Adjustment Option and upon the vesting of restricted shares that have been or may be granted from time to time under the restricted share scheme.

The difference in number of Shares used to calculate the total market capitalization and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share is due to (i) 4,308,899 unvested restricted shares under the restricted share scheme as of December 31, 2025; and (ii) the completion of the grant registration of 2,311,580 restricted shares of the Company on March 30, 2026, which reduced the number of treasury shares from 2,527,527 as of December 31, 2025 to 215,947 as of the Latest Practicable Date.

(4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2025.

In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown in Appendix II of this prospectus has not taken into account payment of dividends of RMB1,215,846,000 which was proposed by the 24th meeting of the second Board of Directors on March 23, 2026 and subject to the approval of the Company's shareholders' meeting.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share would have been RMB24.88 (equivalent to HK$28.29) per Share based on the Offer Price of HK$77.70, if the dividend had been taken into account as of December 31, 2025.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$4,463.1 million, after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering, and assuming the Offer Size Adjustment and the Over-Allotment Option are not exercised and at an Offer Price of HK$77.70 per Offer Share.

We currently intend to apply the net proceeds from the Global Offering as follows:

- approximately 40.0%, or HK$1,785.2 million, will be used for product-centric R&D investment to enhance our technological capabilities;
- approximately 35.0%, or HK$1,562.1 million, will be used for expanding and optimizing our manufacturing network;
- approximately 15.0%, or HK$669.5 million, will be used for strategic investment and vertical integration; and
- approximately 10.0%, or HK$446.3 million, will be used for working capital and general corporate purposes.

DIVIDENDS

PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. We have no formal dividend policy or pre-determined distribution ratio. We prioritize distributing dividends in the form of cash, but may also distribute dividends in the form of stocks or a combination of cash and stocks. Our dividend policy sets forth that, subject to the condition that the Company has recorded a net profit for the year and maintains a positive balance of accumulated undistributed profits, and provided that such distribution would not impair the Company's ability to sustain ongoing operations and long-term development, the Company shall prioritize profit distribution by way of cash dividends in the absence of any significant capital expenditure plans. The amount of profits distributed by cash dividends shall not be less than 10% of the distributable profits realized for that year.

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

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Final dividends proposed after the end of the reporting period	869,032	911,630	1,215,846

All of such dividends declared in 2023 and 2024 were paid from our retained profits and had been fully settled as of the Latest Practicable Date. We declared dividends in the aggregate amount of RMB1,215.8 million for the year ended December 31, 2025 in March 2026, which will be settled in June 2026.

COVID-19

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruption to our operations, raw material procurement or delivery schedule, or any material fluctuation in sales price or volume that was attributable to the COVID-19 pandemic. Therefore, the COVID-19 outbreak had not caused any material impact to our business operation and financial performance.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and other fees incurred in connection with the Global Offering. Listing expenses to be borne by us are estimated to be approximately RMB75.7 million (HK$86.1 million), comprising: (i) underwriting fees of RMB28.0 million (HK$31.9 million); and (ii) non-underwriting-related expenses of RMB47.7 million (HK$54.2 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB28.4 million (HK$32.3 million); and (b) other fees and expenses of RMB19.3 million (HK$21.9 million), assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on the Offer Price of HK$77.70 per Offer Share. During the Track Record Period, we incurred listing expenses of RMB21.8 million, of which RMB0.5 million was charged to our consolidated statements of profit or loss and other comprehensive income, and RMB21.3 million was directly attributable to the issue of our H Shares to the public and is expected to be deducted from equity upon the Listing. Subsequent to the Track Record Period, approximately RMB9.2 million (HK$10.4 million) is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately RMB44.7 million (HK$50.9 million) is expected to be accounted for as a deduction from equity upon Listing. The listing expenses are expected to represent approximately 1.9% of the gross proceeds of the Global Offering, assuming an Offer Price of HK$77.70 per Offer Share and that the Offer Size Adjustment Option and the Over-allotment Option are not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

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

"A Share(s)"	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"Accountants' Report"	the accountants' report of our Company for the Track Record Period, the text of which is set out in Appendix I to this prospectus
"affiliate(s)"	with respect to any specified person, 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 of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, as amended, which shall become effective from the Listing Date and a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Audit and Risk Management Committee"	the audit and risk management committee of the Board
"Board"	the board of Directors
"Business Day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"CAGR"	compound annual growth rate
"Capital Market Intermediary(ies)", "capital market intermediary(ies)" or "CMI(s)"	the capital market intermediaries participating in the Global Offering, with the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CIC"	China Insights Industry Consultancy Limited, an independent professional market research and consulting company
"CIC Report"	the report prepared by CIC

"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"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"	Huaqin Co., Ltd. (華勤技術股份有限公司) (formerly known as 華勤技術有限公司), a joint stock company with limited liability established under the laws of the PRC on August 29, 2005, the A Shares of which have been listed on the Shanghai Stock Exchange (stock code: 603296)
"Compliance Advisor"	Somerley Capital Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders Group"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Mr. Qiu Wensheng (邱文生), Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui (邱文輝), Ms. Lin Min (林敏) and Fujian Yuexiang. See "Relationship with Our Controlling Shareholders Group" for more details
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"FINI"	"Fast Interface for New Issuance", the 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 the Listing
"Fujian Yuexiang"	Fujian Yuexiang Investment Partnership Enterprise (Limited Partnership) (福建悅翔投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 26, 2017, one of the members of our Controlling Shareholders Group
"Global Offering"	the Hong Kong Public Offering and the International Offering

"Governmental Authority"	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time, their predecessors (as the case may be), 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
"H Share(s)"	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are to be listed on the Main Board of the Stock Exchange and to be subscribed for and traded in Hong Kong dollars
"H Share Registrar"	Tricor Investor Services Limited
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"**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**
"HK$", "HKD" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"**HKSCC EIPO**"	the application for the Hong Kong 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 an HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong 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(s)"	a participant admitted participating in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"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 5,854,900 H Shares being initially offered by our Company for subscription in the Hong Kong Public Offering (subject to reallocation as described in "Structure of the Global Offering")
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement, dated on or about April 14, 2026, relating to the Hong Kong Public Offering, entered into by, among others, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Hong Kong Underwriters and our Company, as further described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement"
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed to it under the Listing Rules
"International Offer Shares"	the 52,693,300 H Shares being initially offered for subscription under the International Offering together, where relevant, with any additional H Shares that may be issued by us pursuant to any exercise of the Over-allotment Option and the Offer Size Adjustment Option (subject to reallocation as described in "Structure of the Global Offering")

"International Offering"	the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from the registration requirements under the U.S. Securities Act, in each case on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed "Structure of the Global Offering"
"International Underwriters"	the underwriters of the International Offering
"International Underwriting Agreement"	the underwriting agreement relating to the International Offering expected to be entered into on or about the Price Determination Date by our Company and the International Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — International Offering" in this prospectus
"Joint Bookrunners"	the joint bookrunners as named in "Directors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators as named in "Directors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering"
"Joint Sponsors"	the joint sponsors of the Listing as named in "Directors and Parties Involved in the Global Offering"
"Latest Practicable Date"	April 6, 2026, being the latest practicable date for ascertaining certain information in this prospectus before its publication
"Laws"	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, or rulings of any Governmental Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
"Listing"	the 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 about Thursday, April 23, 2026, on which the H Shares are to be listed and on which dealings in the H Shares are to be first permitted to take place on the Stock Exchange

"Major Subsidiaries"	our major subsidiaries as identified in "History and Corporate Structure — Major Subsidiaries"
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"Nomination Committee"	the nomination committee of the Board
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in "Structure of the Global Offering — Pricing and Allocation"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, being Shares, together, where relevant, with any additional H Shares to be issued by our Company pursuant to the exercise of the Over-allotment Option and/or the Offer Size Adjustment Option
"Offer Size Adjustment Option"	the option exercisable by the Company, pursuant to which the Company may allot and issue up to an aggregate of 8,782,200 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares initially being offered under the Global Offering assuming the Over-allotment Option is not exercised) at the Offer Price, to cover any excess market demand in the International Offering (without being subject to any re-allocation mechanism), as described in "Structure of the Global Offering — Offer Size Adjustment Option"
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters under the International Underwriting Agreement, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators, pursuant to which our Company may be required to allot and issue up to 8,782,200 additional H Shares (assuming the Offer Size Adjustment Option is not exercised at all) or up to 10,099,500 additional H Shares (assuming the Offer Size Adjustment Option is exercised in full), to cover over-allocations, if any
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC

"PRC", "Chinese Mainland" or "China"	the People's Republic of China (中華人民共和國), for the purpose of this prospectus and for geographical reference only, except where the context requires, references in this prospectus to the "PRC", "Chinese Mainland" and "China" do not apply to Hong Kong, Macau Special Administrative Region of the PRC and Taiwan, China
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, modified and/or otherwise supplemented from time to time
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Governmental Body"	has the meaning ascribed to it under the Listing Rules
"PRC Legal Advisor"	Zhong Lun Law Firm, our legal advisor on PRC laws
"Price Determination Date"	the date, expected to be on or before Tuesday, April 21, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators may agree, but in any event not later than 12:00 noon on Tuesday, April 21, 2026
"QIBs"	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB or Renminbi"	Renminbi, the lawful currency of China
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國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)
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited

"SFC"	Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Aoqin"	Shanghai Aoqin Information Technology Co., Ltd. (上海奧勤信息科技有限公司), a limited liability company established under the laws of the PRC on September 5, 2008, one of the members of our Controlling Shareholders Group
"Shanghai Haixian"	Shanghai Haixian Information Technology Co., Ltd. (上海海賢信息科技有限公司), a limited liability company established under the laws of the PRC on October 13, 2008, one of the members of our Controlling Shareholders Group
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and CSDC for mutual market access between Hong Kong and Shanghai
"Share(s)"	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our A Shares and our H Shares
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDC for mutual market access between Hong Kong and Shenzhen
"Sponsor-Overall Coordinators" or "Overall Coordinators"	the sponsor-overall coordinators and overall coordinators as named in "Directors and Parties Involved in the Global Offering"
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy and Sustainable Development Committee"	the strategy and sustainable development committee of the Board
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Track Record Period"	the three years ended December 31, 2023, 2024 and 2025
"U.S.", "US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdictions

"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"VAT"	value-added tax
"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) 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.

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

Term	Explanation
"AGI"	artificial general intelligence
"AGV"	automated guided vehicle, mobile robot used in manufacturing and warehousing to transport materials autonomously, following set paths or programmed routes
"AI"	artificial intelligence
"AIDC"	artificial intelligence data center
"AIO computer"	all-in-one computer
"AIoT"	artificial intelligence of things, the integration of AI with IoT devices, enabling smart, context-aware data processing and automation in connected electronics
"AI PC" or "AI PCs"	artificial intelligence laptop(s)
"ANC"	active noise cancellation, a technology that reduces unwanted ambient sounds by generating sound waves that are the exact opposite (anti-phase) of the noise
"AR"	augmented reality
"ARM"	advanced reduced instruction set computing machine
"ARM architecture"	refers to a family of central processing unit (CPU) architectures based on the principles of reduced instruction set computing
"5ATM"	five atmospheres, a rating used to describe the water resistance of watches and other wearable devices, under which the device can withstand water pressure equivalent to being 50 meters under static water
"BOX"	the main enclosure or chassis of an electronic device
"capacitor"	an electrical component that stores and releases energy, commonly used for power stabilization and filtering in circuits
"cavity antenna"	a compact antenna design making use of a "cavity" structure to enhance performance and miniaturize wireless components in small devices

"cloud connectivity"	the ability of a device to connect and communicate with remote servers over the internet for data exchange, software updates, or remote management
"COB"	chip-on-board, a semiconductor assembly technology where bare integrated circuit chips are mounted directly onto a printed circuit board and then electrically interconnected with thin wires
"CPU"	central processing unit, the primary chip within an electronic device responsible for carrying out instructions of computer programmes by performing basic arithmetic, logic, control, and input/output operations
"CSP(s)"	cloud service provider(s)
"E/E architecture"	the structured network of electronic and electrical systems within a product, showing how components are interconnected
"EMS"	Electronics Manufacturing Services
"FHD"	full high definition, a display resolution standard that refers to a screen resolution of 1920 by 1080 pixels
"FOV"	field of view, the extent of the observable environment that can be seen at any given time through the headset, measured in degrees
"FPC"	flexible printed circuit, a type of electronic interconnection technology that consists of patterned circuits on a flexible insulating substrate
"GPU"	graphics processing unit, a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images and video intended for output on a screen
"HMI"	human-machine interface, the interface that allows people to interact with machines or computers, such as touchscreens, buttons, or voice controls
"HSF"	hazardous substance-free
"hypervisor-based development"	using a software layer to enable multiple operating systems to run on a single hardware system, supporting virtualization and development flexibility
"IDH"	independent design house
"IP cameras"	Internet Protocol cameras, a type of digital video camera that transmits and receives data over a computer network or the internet, rather than using traditional analogue video signals

"IPD"	integrated product development refers to a structured methodology for developing new products by coordinating multiple disciplines and processes widely used across industries such as manufacturing, engineering, technology and product design
"IoT"	Internet of Things
"IP65", "IP68", "IP69"	international protection ratings that classify the degree of protection an enclosure provides against the intrusion of solid objects
"LCD"	liquid crystal display, a display technology using liquid crystals and backlighting, widely used for clear, energy-efficient screens in tablets, monitors, and other electronics
"LIM"	liquid injection molding, a manufacturing process used to produce complex, precision-molded parts from liquid raw materials
"master-slave arm structure"	a robotic setup where a main (master) controller operates a corresponding (slave) robotic arm, allowing for precise and coordinated movements
"MDA"	multiple distributed antenna, a wireless communication architecture in which several antennas are positioned at different, physically separated locations within a given area or device
"MR"	mixed reality, a type of extended reality where real and virtual worlds are merged to produce new environments and visualizations
"MCU"	microcontroller unit, a compact integrated circuit designed to govern a specific operation in an embedded system
"multi-microphone array"	multiple microphones arranged together within a device, improving audio capture, sound localization, and noise cancellation, important for voice assistants and headsets
"NAND"	a type of non-volatile flash memory technology widely used for data storage in electronic devices such as smartphones
"NPS"	net promoter score, a widely used metric for measuring customer loyalty and satisfaction with a product, service, or brand
"ODM"	original design manufacturing
"OLED"	organic light-emitting diode, a flat-panel display technology using organic materials that glow when electrified, offering high contrast ratios and wide viewing angles

"OWS"	open audio technology, a technology that directs audio signals to the human ear through a special acoustic structure without clogging or enveloping the ear canal, particularly in ultra-slim earhooks and similar wearable devices
"PC(s)"	personal computer(s)
"PCB"	printed circuit board, a flat board made of insulating material, typically fiberglass or composite epoxy, with conductive pathways etched from copper sheets
"PCBA"	printed circuit board assembly, a finished electronic board that is created by mounting and soldering electronic components onto a PCB
"PDA"	personal digital assistant, a handheld device, often used in industrial or retail environments, with computing, scanning, and communication functions
"POS terminal"	point-of-sale terminal
"R&D"	research and development
"RF"	radio frequency
"RISC-V"	an open standard instruction set architecture based on the principles of reduced instruction set computer architecture
"RTOS"	real-time operating system, an operating system designed for immediate data processing and response, essential for embedded and mission-critical electronic systems
"SLAM"	simultaneous localization and mapping, an algorithm used by robots to map their environment in real time and determine their own location, allowing efficient navigation without preset routes
"small cockpit"	a digitally integrated vehicle dashboard that combines navigation, media, controls, and vehicle information into screen-based user interfaces
"smart product(s)"	an industry term that refers to products integrating core technologies including AI, IoT, big data, and communication technologies, and featuring one or more intelligent functions such as environmental perception, data processing, autonomous decision-making, human-machine interaction, and execution feedback
"SPK(s)"	miniature speaker(s) used in electronic devices such as earphones, smartphones, and wearables
"TC"	titanium carbide

"thermal throttling"	the automatic reduction of a device's performance when its temperature exceeds a certain threshold
"three-stack printed circuit board assembly"	a printed circuit board designed with three distinct conductive layers, which are laminated together with insulating material between each layer
"TWS"	true wireless stereo, a wireless audio technology that eliminates the need for physical wired connections between the left and right sound units and splits the audio signal wirelessly into independent left and right channels to achieve a stereo sound effect
"UX"	user experience
"VC"	vapor chamber, a thin, flat cooling solution using liquid evaporation and condensation to rapidly spread heat across a surface
"VMI"	Vietnam, Mexico and India, referring to our global manufacturing network in Vietnam, Mexico and India
"VR"	virtual reality
"Wear OS"	a version of the Android operating system designed specifically for wearable devices, such as smart watches
"XR"	extended reality, an umbrella term encompassing AR, VR, and MR technologies, often used in immersive electronic products
"x86"	refers to a widely-used computer processor architecture

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

This prospectus contains forward-looking statements and information relating to us and our subsidiaries 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," "vision," "aspire," "target," "schedules," and the negative of these words and other similar expressions, as they relate to us 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 risk factors as described in this prospectus, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our service and expansion plans;
- our ability to defend our intellectual rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in "Risk Factors."

In this prospectus, statements of or references to our intentions or those of our Directors were made as of the date of this prospectus. Any such information may change in light of future developments.

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 adverse effect on our business, results of operations, financial condition and prospects. 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 headed "Forward-Looking Statements" in this Prospectus.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks related to our business and industry, (ii) risks related to doing business in the jurisdictions we operate, and (iii) risks related to the Global Offering.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, results of operations, financial condition and prospects. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

The expansion and profitability of our business depend on the level of consumer demand and spending on smart products, which could be affected by factors beyond our control.

The success of our business depends, to a significant extent, on consumer demand and spending in smart products. Numerous external factors beyond our control may influence the level of consumer demand and spending on smart products. These factors include general economic conditions, inflationary pressures, consumer disposable income, recession concerns, unemployment rates, geopolitical tensions, pandemic, availability of consumer credit, interest rates, sales tax rates, and consumer perceptions of personal well-being and security. Reduced consumer confidence and spending cutbacks may lead to a decrease in demand for smart products, which could in turn affect the demands for our customers' products. If sales of our customers' products decline or if their products do not achieve market acceptance as expected, our business and results of operations could be adversely affected.

In particular, the consumer electronics market has historically been cyclical and has experienced downturns with declines in average selling prices that have adversely affected, and may in the future materially adversely affect, our business, results of operations and financial condition. In particular, in recent years, the global economy has faced significant challenges, including disruptions across industries and supply chains, inflationary pressures in many countries and volatility in global markets. Any extended global economic downturn could lead to decreased discretionary spending in smart products, causing consumers to reduce their purchases. As a result, we may have difficulty maintaining or expanding our revenue or customer base, which could have a material and adverse effect on our business, results of operations and financial condition.

Changes in industry standards and technical requirements relevant to our products and markets could adversely affect our results of operations and business prospects.

We provide smart products, including mobile terminals, computing and data infrastructure products, AIoT products, automotive electronics, software, robotics and other industrial products, to global leading technology companies. Our products must comply with various industry standards and technical requirements issued by regulatory bodies or industry participants. Industry standards and technical requirements in our market are evolving and may change significantly over time. In addition, large industry-leading technology companies play a significant role in developing standards and technical requirements. Our customers may also design or require us to customize certain specifications and other technical requirements specific to their products. These technical requirements may change as customers introduce new or enhanced products. Our ability to compete in the future will depend on our ability to identify and comply with evolving industry standards and technical requirements. The emergence of new industry standards and technical requirements could render our products incompatible with products developed by other competitors or make it difficult for our products to meet the requirements of certain of our customers. As a result, we could be required to invest significant time and effort and incur significant expenses to redesign our products to ensure compliance with relevant standards and requirements. If our products are not in adherence to prevailing industry standards and technical requirements, our business, results of operations, financial condition and prospects may be adversely affected.

We operate in highly competitive markets. If we cannot compete effectively, our market share and profitability could be adversely affected.

We operate in highly competitive markets. Specifically, the global consumer electronics ODM industry features intense price competition, frequent introduction of new products, frequent consumer demands for product replacement or upgrade, rapid adoption of product advancements and diverse preferences of consumers. The global consumer electronics ODM industry is also concentrated with a few major players accounting for a substantial portion of market shares. We compete principally in terms of our product design, development and manufacturing capabilities, scale of manufacturing capacity, quality of our products and solutions and ability to deliver products in compliance with various quality standards across the world. This requires a combination of various elements, including, without limitation, accurate analysis and prediction of market trends, timely collection of consumer feedback, strong research and development capability and flexible and cost-effective product manufacturing.

We expect competition to intensify in the future as technology and market develop, and existing competitors introduce new and more competitive products alongside their existing products. Current competitors and new entrants may seek to develop new offerings, technologies or capabilities that could render many of our products and solutions obsolete or less competitive. We face escalating competitive challenges as brand owners increasingly demand enhanced technical capabilities, faster time-to-market, and more innovative solutions from their ODM suppliers. Should we fail to maintain our technological edge through continued R&D investment and talent acquisition, brand owners may accelerate their transition toward in-house product development and manufacturing capabilities. This industry-wide trend toward vertical integration by major brands represents a structural risk that could reduce the addressable market for consumer electronics ODM services in our product categories. In addition, our competitors may attract and engage our current and potential customers and therefore impact our market share. The occurrence of any of these circumstances may hinder our growth and our ability to compete and reduce our market share and profitability, and in turn materially and adversely affect our business, results of operations, financial condition and prospects.

To compete effectively, we are also required to satisfy the rapidly evolving customer demands and consumer preferences, which requires our constant research and development in new products and product technologies. Developing new products and product technologies are complex processes requiring high levels of innovation and skilled research and development personnel, as well as the accurate anticipation of technological and market trends. We cannot assure you that we will be able to identify and develop new products and product technologies successfully, if at all, or on a timely basis. In addition, introducing new products or entering new markets carries inherent market risks, including uncertainties regarding marketing and consumer preferences. Failure to anticipate and respond to these preferences may have adverse effects on our sales performance and profitability. For details, see "— Changes in industry standards and technical requirements relevant to our products and markets could adversely affect our results of operations and business prospects." in this section.

Our research and development efforts are not guaranteed to yield the results we anticipate.

In order to maintain our competitive position and continue to grow our business, we need to continuously develop and introduce innovative products for our existing and potential customers. In particular, the markets in which we operate are characterized by continuous technological developments and innovation to address increasingly complex and diverse customer needs. Accordingly, we emphasize our R&D activities, which require considerable human resources and capital investments. In 2023, 2024 and 2025, our research and development expenses amounted to RMB4,547.5 million, RMB5,155.8 million and RMB6,363.5 million, accounting for 5.3%, 4.7% and 3.7% of our revenue in the respective periods. We may continue to incur significant research and development expenses in the future to remain innovative and competitive in the market. However, we cannot assure you that these efforts will be yield the anticipated results. Even if our research and development efforts are successful, we may not be able to apply the technologies we developed for our new products introduction or upgrade of manufacturing processes in time to capture the first-mover advantage, or at all.

Our business is subject to legal, regulatory, political, economic, commercial and other risks associated with conducting operations in various jurisdictions.

We derive a significant portion of our revenue from overseas markets. In 2023, 2024 and 2025, our revenue from overseas markets amounted to RMB56,291.1 million, RMB56,402.5 million and RMB92,247.0 million, respectively, representing 66.0%, 51.3% and 53.8% of our total revenue for the same periods. Accordingly, we have faced and will continue to face numerous risks, including legal, regulatory, political, economic, commercial and other risks associated with conducting operations in various jurisdictions, any of which could materially and adversely affect our financial performance. These risks include the following: (i) legal, regulatory, political, economic and commercial instability and uncertainty in overseas jurisdictions; (ii) changes in foreign tax rules, regulations and other requirements, such as changes in tax rates and statutory and judicial interpretations of tax laws; (iii) changes in international trade policies and regulations including those in relation to economic sanctions, export controls, and import restrictions, as well in trade barriers such as imposition of tariffs; (iv) difficulty in coping with possible conflict of laws resulting from import/export controls measures of different jurisdictions where we operate or intend to operate; (v) changes in foreign country regulatory requirements, including data privacy laws; (vi) complexities relating to compliance with foreign anti-bribery, anti-corruption and anti-money laundering regulations and antitrust laws; (vii) difficulty in obtaining or enforcing intellectual property rights; (viii) difficulty in enforcing agreements and collecting overdue receivables through local legal systems; (ix) changes in geopolitical situations especially those in jurisdictions where we do, or plan to do business; (x) strict foreign exchange controls and cash repatriation restrictions; (xi) inflation and/or deflation, and changes in interest rates; (xii) trade customer insolvency and inability to collect accounts receivable; (xiii) trade supplier insolvency or being sanctioned and the interruption of supply; (xiv) misconduct by our customers and suppliers beyond our control, including but not limited to breaching the agreements with them and laws and regulations of various jurisdictions that are applicable to them; (xv) labor disputes and work stoppages at our operations and suppliers; and (xvi) increased costs associated with maintaining the ability to understand local markets and follow their trends.

Any failure to address these risks may materially and adversely affect our business, reputation, results of operations, financial condition and prospects.

We may not be able to effectively manage the pricing of our products in case of any decrease in our bargaining power or changes in market conditions.

We consider various factors such as product costs, development expenses, product competitiveness, market demand and market competition dynamics, when formulating our pricing policies. Our ability to set favorable prices at our desired margins and to accurately estimate costs, among other factors, has a significant impact on our profitability. We cannot assure you that we will be able to maintain our pricing or bargaining power or that our gross profit margin will not be affected by market conditions or other factors. In the event that we are faced with higher pricing pressure due to intensified competition from other manufacturers, continued decrease in prices in the end market or any other reasons, or if we otherwise lose bargaining power due to weaker demand for our products, we may need to reduce the prices and lower the margins of our products. Moreover, we may not be able to accurately estimate our costs or pass on all or part of any increase in our costs, in particular the costs of raw materials, components and parts, to our customers. As a result, our results of operations and profitability could be materially and adversely affected.

We may not be able to successfully execute our growth strategies and manage the associated challenges in new and evolving business areas.

As part of our long-termism strategy, we are actively expanding into innovative businesses, particularly automotive electronics, software and robotics. We expect to continue to expand into new product categories in the future. We have relatively limited experience and track record in developing and manufacturing these new products, which may not provide a meaningful basis on which to evaluate our business. In addition, our growing operations may place a strain on our management, personnel, systems and resources. If we are unable to manage our business growth with respect to these new products, we may not be able to take advantage of market opportunities, execute our growth strategies or respond to competitive pressure. To successfully execute our growth strategies and manage our growth, we believe we must effectively: (i) maintain efficient and effective organizational and management capabilities; (ii) expand and upgrade our product design and development capabilities; (iii) hire, train, integrate and manage additional qualified senior management, engineers, sales and marketing personnel and information technology personnel; (iv) implement additional, and improve existing, administrative and operations systems, procedures and controls; (v) manage our business relationships with customers and suppliers; and (vi) manage our financial condition and allocate resources to address future demand for different products.

As we enter new markets, we will also encounter new competitors who may manufacture and offer products comparable to ours with better quality or on a more cost-efficient basis. If we are unable to manage our growth or compete in the markets for new business areas effectively, our business, financial condition and results of operations could be adversely affected. In addition, our results of operations are affected by changes in our product mix. The introduction of new products with different selling prices and margin profiles may result in fluctuations in our profitability.

We derived a substantial portion of revenue from certain major customers during the Track Record Period and the loss of, or a significant reduction in, revenue from such customers could materially and adversely affect our results of operations.

During the Track Record Period, we generated a substantial portion of revenue from a limited number of customers. For each year ended December 31, 2023, 2024 and 2025, sales to our largest customer accounted for 25.9%, 18.9% and 14.9% of our revenue, respectively, while our five largest customers for the same periods accounted for 64.6%, 56.7% and 54.1% of our revenue, respectively. Our concentration on a few major customers exposes us to the risks of substantial losses if such major customers significantly reduce orders to us, or stop engaging in businesses with us at all. Specifically, any of the following events, among others, may cause material fluctuations or declines in our revenue and have a material and adverse effect on our business, financial condition and results of operations: (i) the reduction, delay or cancellation of purchase orders from one or more of our major customers; (ii) the reduction in the purchase price of our products; (iii) the rejection of products manufactured by us for one or more of our major customers due to manufacturing defects or other reasons; (iv) the loss of one or more of our major customers and our failure to identify and acquire additional or replacement customers that may recoup the reduced sales volume at satisfactory pricing or other terms; or (v) the failure or inability of any of our major customers to make timely payment for our products due to their deteriorating financial condition, which may in turn adversely affect our inventories, research and development and trade receivables. In addition, we generally do not have long-term purchase commitments from our major customers.

While certain major customers may provide us their procurement forecast, volumes and prices are finally set forth upon confirmed orders. We cannot assure you that order volumes and selling prices will be consistent with our historical record or our expectation.

We cannot assure you that we will be able to retain our current list of customers or if these customers will continue to generate significant revenue for us in the future. Any such failure will materially and adversely affect our business, results of operations and financial condition.

Our success depends on a stable and adequate supply of raw materials which are subject to price volatility and other risks.

The raw materials we procured primarily consisted of electronic components, structural parts and packaging materials. For the years ended December 31, 2023, 2024 and 2025, our raw material costs amounted to RMB73,262.8 million, RMB95,809.3 million and RMB150,700.5 million, representing 96.4%, 95.8% and 95.3% of our cost of sales for the respective periods. Our production volume and manufacturing costs depend on our ability to source quality raw materials at competitive prices. If we are unable to obtain raw materials in quantities of quality or at a price that we require, our production volume, quality of products, sales and profitability may be adversely affected. Raw materials used in our manufacturing are subject to price volatility caused by external conditions, such as market supply and demand, commodity price fluctuations, currency fluctuations, fluctuations in transportation costs, changes in governmental policies and natural disasters. For example, restrictions or disincentives on certain imported goods may impact our ability to obtain raw materials or supplies required for production. Therefore, there is no assurance that our raw material costs will not increase significantly in the future. Our ability to pass on increased raw material costs to our customers may be limited by competitive pressure. We cannot assure you that we will be able to raise the prices of our products sufficiently to cover increased costs resulting from increases in the cost of our raw materials or overcome the disruptions in the supply of quality raw materials for our products. As a result, any significant price increase of our raw materials may have an adverse effect on our profitability and results of operations.

If our current suppliers decide to terminate business relationships with us or if the raw materials supplied by our current suppliers fail to meet our standard, or if the current supplies of our raw materials are interrupted for any reason, qualified suppliers may not be readily available and we may not be able to easily switch to other suppliers in a timely manner, which may materially and adversely affect our business, results of operations and financial condition.

Failure to successfully execute our equipment maintenance and upgrades and capacity expansion plans or to effectively utilize our manufacturing centers may have an adverse effect on our business, financial condition and results of operations.

Our growth prospects and future profitability depend on, among others, our ability to upgrade and expand our manufacturing capability, either generally or with respect to demand from customers for particular products. For details, see "Business — Manufacturing — Manufacturing centers."

To successfully upgrade and expand our manufacturing capability, we need to make cost-effective and efficient upgrade and expansion plans, expand and construct new facilities or equipment either by our own R&D or procurements from third parties, and hire and train professionals necessary to operate such facilities or equipment, all of which may be affected by, several factors including, but not limited to, the following: (i) availability of working capital for purchasing facilities or equipment; (ii) shortages or delays in the delivery of facilities or equipment; (iii) difficulties or delays which may arise in installing the facilities or equipment; and (iv) implementation of new manufacturing processes.

We cannot guarantee that our upgrade or expansion plan, if implemented, will be operationally or financially successful and substantiated by sufficient market demand for or profit margin of our products. If we are unable to implement the upgrade or expansion plan cost-effectively and efficiently, our business and financial performance may be adversely affected. In particular, the implementation of our expansion plans may incur significant staff costs, depreciation and amortization charges and other expenses, which may adversely affect our financial condition. In addition, if we do not receive sufficient orders from our customers due to reasons, such as declines in market demand in the future, to effectively utilize our manufacturing capacity, we may be subject to low utilization rates of manufacturing capacity, over-capacity or high depreciation charges which may hurt our profitability and results of operations. Any delay or cancellation of our expansion plan could also subject us to disputes with various counterparties. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Any quality issues associated with our products may expose us to potential liabilities, subject us to risks relating to warranty claims, result in losing customers and sales, product recalls and increased compliance costs, which could adversely affect our results of operations and financial condition.

Our success depends on consistently delivering quality and reliable products. If the quality of any of our products deteriorates or fail to meet customers' expectations, we may face customer complaints, return requests, penalties, or order cancellations. Any defects in our products could also expose us to potential liabilities, such as warranty claims, or claims for damages. We may suffer significant costs to address quality issues. In the event of defective products, we could be compelled to recall our products and subject to product liability claims, which may cause financial and reputational damage. Even if we ultimately prevail in defending against such claims, we may still suffer substantial costs. Any quality issues of our product would have a negative impact on our sales, adversely affecting our results of operations and financial condition. In addition, we are subject to law and regulations governing the quality of our products and we may suffer additional costs if such law and regulations become more stringent.

We are subject to risks associated with outsourced manufacturing, including risks inherent in managing the manufacturing process and timelines.

During the Track Record Period, we engaged qualified third-party manufacturers to perform certain processing tasks, which primarily involved SMT processing, final assembly and packaging. In 2023, 2024 and 2025, we engaged nine, seven and eight outsourced manufacturers, respectively, to support our production activities. We are subject to risks associated with outsourced manufacturing, including risks inherent in managing the manufacturing process and timelines. There is no assurance that we will be able to monitor the performance of these third-party manufacturers as directly and efficiently as with our own staff. Our ability to complete orders could be impaired if we are unable to make procurement from third-party manufacturers at reasonable costs or at all. If a third-party manufacturer fails to provide materials or services as required, we may need to source substitutes on a delayed basis or at a higher replacement cost than anticipated, which may have an adverse impact on our financial conditions.

We are exposed to quality risks related to the products manufactured by these third-party manufacturers. We have in place quality control measures, such as regular assessment and quality inspection upon receiving of finished products from our contract manufacturers. However, we cannot guarantee complete oversight over the manufacturing process or the procurement of raw materials. This lack of control presents potential risks to our business. The quality control system of third-party manufacturers may not be adequate and could have deficiencies that we are unaware of, which may lead to hidden defects in the products that are difficult to be detected upon receipt. Any failure in maintaining product quality could subject us to product liability claims and adversely affect our business, reputation, prospects, financial condition and results of operations. Even if we are able to identify any hidden defects, the process of returning and replacing with a new batch of products can be time-consuming, leading to delays in delivery and potential claims of contractual liabilities from our customers. In the event of disputes regarding the quality of products supplied by these third-party manufacturers, we may need to resort to legal remedies, which can be both time-consuming and costly. Product defects could also tarnish our brand's reputation, negatively impacting our sales performance and financial results. Such circumstances could have a material and adverse effect on our business, reputation, prospects, financial condition and results of operations.

Moreover, we may be affected by fluctuations in the manufacturing costs of these third-party manufacturers. The manufacturing costs of these third-party manufacturers may rise if the price of key raw materials, which in turn may affect our costs and profitability.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, export control, economic or trade sanctions and investment restrictions.

We are subject to the risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial conditions and results of operations could be adversely affected.

In recent years, complexities in international relations have presented new challenges and ongoing uncertainties. Various countries have announced plans for and/or have already implemented new or modified tariffs. Furthermore, we also export our products to other markets, such as Europe. Any increase in European tariffs would render our products more expensive and can lead to retaliatory tariffs. There's also a significant risk of supply chain disruptions, as tariff-burdened products from other parts of the world may be redirected to other markets. These circumstances could reduce levels of international trade, investment, technological exchange, and other economic activities. They might also lead to changes in political and economic relations between countries, sanctions, export controls, supply-related restrictions and other geopolitical issues. These developments have created a dynamic and unpredictable trade landscape, which may adversely impact our business, financial condition, results of operations and prospects. In the vast majority of our transactions, our customers are responsible for import taxes and tariffs. Only in limited circumstances, where delivery is made under DDP (Delivered Duty Paid) terms, do we bear these costs when exporting products to certain countries. None of these DDP transactions involved shipments to the U.S. For each year or period during the Track Record Period, the total tariff amounts paid by us represented less than 0.03% of our revenue for the same period. For transactions where customers bear tariffs, we do not track the actual tariff amounts paid by customers. Based on best-effort statistics, revenue from products indirectly shipped to the United States, including PCs, tablets, smart wearables and AIoT products, accounts for approximately 10% of our total revenue during the Track Record Period. Our exposure to tariff risks primarily arises when our customers seek to pass on part or all of the increased tariff burden to us, regardless of whether our products are sold to them directly or ultimately resold to them. They may request us to share the increased tariff costs, or reduce their purchase volume or demand lower prices in response to tariffs, which could have material adverse impact on our financial performance. During the Track Record Period, there had been no requests from customers to cancel orders, suspend delivery, or renegotiate price, order quantity, payment, or any other material terms as a direct result of any trade policies or tariff regulations.

Geopolitics and international trade tensions have led to certain countries and organizations utilizing economic sanctions, export controls, investment restrictions, supply-related restrictions and other restrictive measures targeting high-technology solutions, including advanced-node integrated circuits, high-performance computing integrated circuits and other AI-related products. These policies have introduced uncertainties to global investment activities, increased compliance costs and limited access to critical resources necessary to R&D activities and operations for companies operating in affected industries. Additionally, there shall be no assurance that the U.S., or other governments or organizations will not impose additional sanctions or export controls that could impact us and/or our subsidiaries. Any such event could materially and adversely affect our business, financial condition and results of operations.

The U.S. and other jurisdictions or organizations, including the European Union, the United Kingdom and the United Nations, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, or organizations within such countries. In addition to sanctions measures, the U.S. has imposed export control measures that directly or indirectly affect China-based technology companies. These types of laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future. Likewise, potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to sell our products in, or restrict our access to, certain markets. We will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which requires significant resources and efforts and constant update and monitoring. Furthermore, such potential restrictions may materially and adversely affect our abilities to acquire technologies, systems, devices or components that may be critical to business operations. Any of these developments, or any control or compliance deficiencies could affect us, our customers and/or suppliers or economic conditions generally, any of which could adversely affect our business and financial condition.

In recent years, the U.S. has expanded export controls restrictions on China through the Export Administration Regulations (the "EAR"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the "BIS"). In addition to the restrictions introduced by the BIS rules, BIS maintains lists of persons that are subject to enhanced export control restrictions. The U.S. in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. In addition to naming additional persons to these lists, BIS has imposed complex and restrictive rules applicable to doing business with persons on them. During the Track Record Period, two of our customers were listed on the Entity List. We have ceased to conduct any business with one of them after such customer was added to the Entity List. In respect of the other customer, the products manufactured by the Group for the customer during the Track Record Period were not subject to the EAR and therefore can be supplied without a license from the BIS. During the Track Record Period, the revenue contribution from this customer was insignificant. Therefore, we believe that our business activities with these two customers did not violate United States export control and sanctions laws. As the Entity List and other sanctions and export controls laws and regulations continue to expand and evolve, future sanctions and export controls may materially affect some of our customers or suppliers, raw materials or key components or technologies necessary for our operations. Changes to export control regulations, including changes to the Entity List and restrictions applicable to doing business with persons on it, could adversely affect our business and our relationship with other customers and suppliers if we fail to promptly secure alternative customers or sources of supply on terms acceptable to us. These export controls could adversely affect us and/or our supply chain, business partners, or relationship with customers and suppliers, and our business, financial condition, and results of operations may be significantly affected by the continued international trade and political tensions.

Sanctions and export controls laws and regulations are complex and constantly evolving, and new persons and entities are regularly added to the list of "Sanctioned Persons," which refers to persons and identities listed on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions or export controls. These types of regulations are complex, and we expect to need to devote increasing resources to complying with them. Even with our compliance measures, we cannot provide any assurance that our business are or will be free of sanctions or export control risks or our business conforms or will conform to the expectations and requirements of the authorities of

U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the EU, the U.K., the UN or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions or export controls they impose or provides a basis for a sanctions or export control designation of us.

Moreover, we may be subject to review and enforcement under domestic and foreign laws that govern foreign investment and acquisitions. In both U.S. and non-U.S. jurisdictions, these regulatory requirements may apply different requirements based on the nature of the company and the profiles of the investors involved. As a result, investments by particular investors may need to be filed with local regulators or could even be prohibited under certain circumstances, which limits our ability to engage in strategic transactions that might otherwise be beneficial to us and our investors. These laws and regulations are also subject to modification and updates from time to time. For example, recently issued U.S. government regulations, such as the final rule (the "Final Rule") implementing Executive Order 14105 which became effective on January 2, 2025, restricts direct and indirect investment by U.S. persons (as defined under the Final Rule) into companies with specified connections to China that use specific technologies of concern. Notably, on February 21, 2025, the U.S. government issued the "America First Investment Policy" proposing to further expand the set of technologies of concern, such as semiconductors, AI, quantum information technologies and supercomputing. On December 18, 2025, U.S. President Trump signed into law the Fiscal Year (FY) 2026 National Defense Authorization Act, which includes the Comprehensive Outbound Investment National Security Act of 2025 (the "COINS Act"). The COINS Act largely codifies the core of the current Final Rule while making certain modifications. The COINS Act requires the U.S. Department of the Treasury to, within 450 days from passage, promulgate new or amended regulations to implement the law. These rules aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China in certain sectors, and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers, including us. As advised by our U.S. Export Control and Sanctions Counsel, we are not a "covered foreign person" as defined in the Final Rule as (i) we do not engage in any of the "covered activities" as defined in the Final Rule, and (ii) to the extent we directly or indirectly holds a board seat on, a voting or equity interest in, or contractual power to direct or cause the direction of the management or policies of any entities outside our Group, we do not derive more than 50% of our revenue or net income or incur more than 50% of our capital expenditure or operating expenses on aggregate from such entities. However, we cannot assure you that the U.S. authorities will not take a different view on the applicability of the Final Rule. Furthermore, persist changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance and growth prospects.

We are subject to risks associated with work-related accidents and the handling and storage of hazardous materials.

Our manufacturing processes entail certain risks, such as industrial accidents, which could lead to significant property damage or personal injury. Although we have implemented stringent safety procedures to minimize these risks, accidents may still occur. In addition, some of our materials and products are hazardous, toxic or flammable. The storage of these hazardous, toxic or flammable materials and the handling of these materials in the manufacturing processes pose inherent risks. Any accidents relating to our manufacturing processes or the handling and storage of hazardous materials, regardless of its location, could result in substantial manufacturing interruptions and delays, or claims for significant damage due to personal injuries or property damage, thereby materially and adversely affecting our business, reputation, financial condition and results of operations.

Delivery delays, poor handling by third party logistics service providers or disruptions in the transportation network may adversely affect our business.

We engage third-party logistics service providers for the delivery of our products across the globe. Disputes with or terminations of our contractual relationships with our logistics service providers could result in delayed delivery of products or increased costs. We may not be able to continue or extend relationships with our current logistics service providers on terms acceptable to us or establish relationships with new logistics service providers to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics service providers, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. If there is any breakdown in our relationships with our preferred logistics service providers, we may suffer business interruptions that could materially and adversely affect our business, financial condition and results of operations. As we do not have any direct control over these logistics service providers, we cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue due to transportation shortages, natural disasters, labor strikes or other factors, we may lose sales to our customers and our reputation may be tarnished. In addition, our suppliers sometimes deliver materials to us through third party logistics service providers. Delays in delivery could adversely impact our suppliers' ability to timely deliver materials to us, and our ability to deliver to our customers.

A third party has registered "Huaqin Technology Co., Limited" as a company name in Hong Kong, which may give rise to public confusion, passing-off claims or other legal proceedings that could adversely affect our brand, reputation, business, financial condition, results of operations and prospects.

We are aware that "Huaqin Technology Co., Limited" has been registered as a company name in Hong Kong by a third party that has no affiliation, association or connection with our Company or our Group. As of the date of this prospectus, we have adopted "Huaqin Co., Ltd." as our registered English name in Hong Kong. Although we have taken steps to distinguish our corporate identity, the similarity between the name "Huaqin Technology Co., Limited" and our registered name may give rise to confusion among the public, including our customers, suppliers, and investors. We cannot assure you that the registration and use of "Huaqin Technology Co., Limited" by such third party will not result in passing-off claims, whether initiated by or against us, or other intellectual property disputes. We cannot assure you that similar name could not be utilized to perpetrate fraud or impersonation schemes against our stakeholders, or that we will not be involved in administrative burdens if regulatory inquiries, customer complaints, or legal notices intended for the third party are mistakenly directed to us. Furthermore, we cannot assure you that we will not become involved in litigation or other legal proceedings in connection with such third-party registration, which could be costly, time-consuming and divert significant managerial attention and resources. Any such confusion, passing-off claims or legal proceedings could damage our brand and reputation, undermine investor and customer confidence, and have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to adequately protect our intellectual property rights or trade secrets and may have intellectual property disputes, which may result in loss of market share to our competitors and affect our business and results of operations.

Our success depends on our ability to protect our own and our customers' intellectual property rights. We rely on a combination of applicable intellectual property laws as well as confidentiality agreements to protect our patents, trademarks (including our Company's name), copyrights and other intellectual property rights. See "Business — Intellectual Property" and "Appendix VII — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights." We cannot assure you that our trade secrets, patents, trademarks and other intellectual property rights as well as those of our customers will not be misappropriated despite the precautionary measures that we have taken to protect those rights. In the event that the precautionary measures we have taken do not adequately safeguard our customers' intellectual property rights, customers may reduce or discontinue their purchase orders with us or even initiate legal proceedings against us, which would have a material adverse effect on our business, financial condition and results of operations.

Monitoring unauthorized use of proprietary technology is difficult and costly, and we may need to resort to legal recourse to enforce or defend patents issued to us or to determine the enforceability, scope and validity of our proprietary rights or those of others. Any such legal proceedings may require significant expenditure of financial and managerial resources and could have a material adverse impact on our business, financial condition and results of operations. An adverse determination in any such litigation will impair our intellectual property rights and may harm our business, prospects and reputation. In addition, given that the enforceability and scope of protection of proprietary rights are uncertain, we may choose not to litigate or spend significant resources in litigation to enforce our intellectual property rights or to defend our patents against unauthorized use by third parties.

Moreover, we may be subject to claims from other parties such as industry participants and competitors and other third parties alleging our infringement of their trade secrets, patents, trademarks and/or other intellectual property rights. Any legal or administrative proceedings resulting from such allegations are likely subject us to significant liability or penalties and even to cause a declaration of invalidity of our existing intellectual property rights. These lawsuits or proceedings, regardless of their veracity, would be time-consuming and costly to resolve and would divert much of our managerial attention and administrative resources. If we are found to have infringed the other parties' intellectual property rights, we may be subject to considerable legal liabilities, which may have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

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 assessments of our business that could harm our reputation and cause us to lose market share, customers and revenue.

We may be the subject of unfair competition, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory authorities. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend 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, or at all. Additionally, allegations, directly or indirectly against us, may be posted online by anyone, whether or not related to us, on an anonymous basis. Customers value readily available information concerning manufacturers and their products and services and often act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media is virtually immediate, as is its impact. Social media immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our reputation, business operations and financial performance. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, customers and revenue.

We may need to devote additional efforts and resources to obtain and maintain the requisite licenses and approvals required in the jurisdictions that we operate or plan to operate.

Our operations require multiple licenses, permits and approvals. Certain licenses, permits or approvals we hold are subject to periodic renewal. If we fail to renew one or more of our licenses and certificates when their current terms expire, or obtain such renewals in a timely manner, our operations could be disrupted. If we fail to properly renew any of such requisite licenses on time, we may face penalties. In addition, as our business is evolving, we might be subject to additional laws and regulations, compliance to which may incur additional costs for us, and any non-compliance may expose us to liability. In case of non-compliance, we may have to incur monetary expenses and divert substantial management time and resources to resolve any deficiencies. We may also experience negative publicity arising from such deficiencies, which may adversely affect our business, reputation, financial condition and results of operations.

Investment in new business strategies, acquisitions and other forms of business integration could disrupt our ongoing business and present risks not originally contemplated, and we may be unable to realize the anticipated benefits, synergies, cost savings or efficiencies from acquisitions.

Our long-term business strategy includes growth through acquisitions. Historically, we acquired controlling stake in multiple companies to enhance our capabilities in core component and to be added to the supplier lists of multiple major customers. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including: (i) failing to implement or remediate controls, procedures and policies that are designed and appropriate for large-scale public company at acquired companies that lacked such controls, procedures and policies prior to the acquisition, (ii) failing to integrate the operations and personnel of the acquired businesses in an efficient, timely manner, (iii) assuming potential liabilities of acquired companies, (iv) managing the potential disruption to our ongoing business, (v) distracting management focus from our core businesses, (vi) failing to retain management at acquired companies, (vii) difficulty in acquiring suitable businesses, including challenges in predicting the value an acquisition will ultimately contribute to our business, (viii) possibility of overpaying for acquisitions, particularly those with significant intangible assets that derive value using novel tools and/or are involved in niche markets, (ix) impairing relationships with employees, customers, and strategic partners, (x) incurring expenses associated with the amortization or impairment of intangible assets particularly for intellectual property and other intangible assets, (xi) incurring expenses associated with an impairment of all or a portion of goodwill and other intangible assets due to changes in market conditions, weak economies in certain competitive markets, or the failure of certain acquisitions to realize expected benefits, and (xii) diluting the share value and voting power of existing stockholders.

The anticipated benefits of many of our acquisitions may not materialize. Future acquisitions or dispositions could result in the incurrence of debt, contingent liabilities or amortization expenses, or impairment or write-offs of goodwill and other intangible assets, any of which could harm our financial condition. We may need to obtain additional financing, such as debt or equity funding. If we pursue this route, financing may not be available on favorable terms or at all, and issuing equity may dilute existing shareholders' interests.

Failure to fully comply with PRC labor-related laws may expose us to potential penalties.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practice does not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

Pursuant to the Labor Contract Law and its amendments, dispatched labor is intended to be a supplementary form of employment, and the fundamental form should be direct employment by enterprises and organizations that hire employees. Further, it is stated in the Interim Provisions on Labor Dispatch that became effective on March 1, 2014 that the number of dispatched workers an employer uses may not exceed 10% of its total labor force. The employers who fail to comply with the relevant requirements on labor dispatch shall be ordered by the competent authorities to make correction within a stipulated period. Where the necessary correction is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold. During the Track Record Period, the percentage of dispatched workers engaged by certain of our PRC subsidiaries exceeded 10%. We had taken measures to reduce the number of dispatched workers the relevant PRC subsidiaries engaged. As of September 30, 2025, all of our PRC subsidiaries have become compliant with the PRC labor dispatch regulations. During the Track Record Period and up to the Latest Practicable Date, we had not received any notice or been subject to any administrative penalties in relation to labor and social security from the relevant authorities. Our PRC Legal Advisor has advised us that the risk that we would be subject to material administrative penalties and suffer an actual loss due to our non-compliance with the labor dispatch regulations is remote.

In addition, companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance, housing provident funds and other welfare-oriented payment obligations. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments. Employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties. On July 31, 2025, the Supreme People's Court of China issued the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases ("Interpretation (II)"), which came into effect on 1 September 2025. According to Interpretation (II), both employers and employees are legally required to participate in social insurance, and any unilateral undertakings or bilateral agreements to forego participation in social insurance are invalid. In addition, Interpretation (II) specifies that where an employee terminates their employment contract on the grounds that the employer has failed to pay social insurance contributions in accordance with the law, and claims economic compensation from the employer, the People's Courts of China shall uphold such claims. During the Track Record Period and up to the Latest Practicable Date, we have not received any administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. Since the effective date of Interpretation (II) to the Latest Practicable Date, we have not experienced any incidents where any of our employees have unilaterally terminated their employment contracts with us or any of our major subsidiaries in China due to our failure to pay social insurance contributions in accordance with the law. In addition, we have not entered into any arrangements with our employees to opt out of social insurance participation by way of unilateral undertakings or bilateral agreements. Accordingly, we do not expect Interpretation (II) to have any material adverse impact on our operations or financial condition. However, there is no assurance that our historical and current practice with respect to the contribution of social insurance plans and housing provident funds will at all times satisfy the government authorities in the PRC. In the event of any non-compliance or if the relevant PRC authorities hold a different view than our interpretation of Interpretation (II) and determine that we have not complied with relevant requirements, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in the PRC, we may be exposed to penalties or be required to compensate employees.

We are subject to extensive regulatory permits, filings, certificates and approvals for our leased and owned properties.

We are required under applicable PRC laws and regulations to complete filings and obtain various permits, certificates and approvals from relevant governmental authorities for the properties that we lease and own in China.

As of the Latest Practicable Date, 38 of our lease agreements have not been registered and filed with relevant governmental authorities. According to applicable PRC laws and regulations, the lessor and the lessee of a lease agreement are required to register and file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. As registration and filing of the lease agreement will require the cooperation of the landlord, we cannot assure you that we can complete the registration and filing of such lease agreement in a timely manner or at all. The relevant PRC authorities may require us to complete registrations within a specified time frame and may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements. Thus, the maximum potential penalty for the non-registration of our lease agreements is approximately RMB380,000.

As of the Latest Practicable Date, we have not obtained the property ownership certificates for one owned property used as offices and R&D facilities. While we are in the process of fulfilling the relevant procedures required for the ownership certificates for these properties, we may not be able to obtain these certificates in a timely manner or at all. As a consequence of the foregoing, our rights to these properties may be limited or challenged by relevant governmental authorities or third parties. We cannot assure you that we would not be subject to any penalties and/or forced to relocate, which may adversely affect our results of operations and financial condition.

We are subject to environmental, health and safety laws and regulations and manufacturing standards and it may become more stringent and costly to comply with such regulations and standards.

We are subject to a number of environmental, health and safety laws and regulations, including, but not limited to, the treatment and discharge of pollutants into the environment during our business operations. See "Regulatory Overview." In addition, our manufacturing lines can only be put into operation after the relevant administrative authorities in charge of environmental protection, health and safety have examined and approved the relevant facilities. Delays or failures in obtaining all the requisite regulatory approvals of such facilities may affect our ability to research, develop and manufacture our products as planned. As such laws and regulations may evolve, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with relevant laws and regulations, we may be subject to rectification orders, fines, potential monetary damages, or manufacturing suspensions in our business operations.

Our business operations are subject to risks relating to ESG.

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 carbon footprint and maintain environmentally friendly business operations. The process of developing new manufacturing technologies and enhancing existing manufacturing technologies to mitigate climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that may not 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, and failure to comply could subject us to, among other things, legal liability, fines, suspension of manufacturing, a loss of licenses to operate certain facilities and other sanctions, interruptions to operations, securities litigation and a general loss of investor confidence, any one of which could have a material adverse impact on our business and financial performance. If we are unable to satisfy such new criteria or are unable to respond or perceived to be inadequately responding to sustainability concerns, investors may conclude that our policies with respect to corporate responsibility are inadequate and choose to invest in our competitors. Our brand and our reputation may be damaged 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, reputation, financial condition and results of operations could be materially and adversely impacted.

Our historical financial and operating results may not be indicative of our future performance.

During the Track Record Period, we experienced fluctuations in our revenue and profits. Our past performance is not necessarily indicative of future results. Our financial and results of operations may not meet the expectations of market analysts. The effects of changing regulatory, economic, public health, environmental, competitive conditions and many other factors cannot be fully predicted and may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, the profit contribution from each of our business lines may vary each year based on the general economic and financial market conditions. If there is a shift towards products with lower profit margins or if high-margin products underperform, our overall profitability may decline. As we continue our business expansion, we cannot assure you that we will achieve the expected results or maintain the same levels of revenue growth and profitability as we have achieved historically. We believe that period-to-period comparisons of our results of operations during the Track Record Period may not be indicative of our future performance and you should not rely on them to predict the future performance of our results of operations.

If we are unable to effectively manage our inventory or maintain optimal inventory levels, our inventory may suffer from obsolescence or shortages, and our business, financial condition and results of operations may be materially and adversely affected.

We continuously improve our product pipelines and introduce new products that respond to evolving customer preferences, which require us to manage our inventory effectively. Our inventory primarily includes raw materials, outsourced processing materials, work-in-progress, finished goods and goods in transit to customers. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB4,343.7 million, RMB11,476.1 million and RMB14,623.9 million, respectively, and we recorded provision for impairment loss on inventories of RMB199.4 million, RMB121.6 million and RMB195.3 million, respectively. Our inventory turnover days were 25.3 days, 28.9 days and 30.1 days in 2023, 2024 and 2025, respectively.

Our purchase decisions and inventory management measures are primarily made based on our understanding of our industry and forecast of market demand for our products. However, our forecast for demand may not accurately reflect the actual market demand. Significant and unpredictable shifts in market demand can affect the accuracy of our market demand forecast and the effectiveness of our procurement and inventory management practice, and we may not be able to timely mitigate the resulting inventory pressure or at all. Moreover, it may also be challenging to accurately forecast the market demand for our products and determine the optimal inventory levels. Factors such as new product introduction, rapid changes in product cycles and pricing, quality defects, promotions, changes in consumer spending patterns, and changes in consumer preferences with respect to our products can all affect market demand, leading to unpredictable purchasing behaviors and quantities that may deviate from our expectations. If we fail to manage our inventory effectively, we may face inventory obsolescence, resulting in decline in inventory values and inventory write-downs or write-offs. Moreover, excessive inventory levels may tie up substantial capital resources, preventing us from using that capital for other important purposes. If we underestimate customer demand, we may experience inventory shortages, which may result in missed sales, additional costs to secure the necessary manufacturing, delivery delays, reduced customer loyalty, and the loss of revenue. Any of the above may materially and adversely affect our business, results of operations and financial condition.

We are exposed to foreign currency exchange fluctuations.

A substantial portion of our revenues and cost of sales is denominated in RMB. However, as we also operate a part of our business overseas, we are subject to risks associated with foreign currency exchange fluctuations.

Changes in the value of foreign currencies could affect the results of our overseas operations. Certain of our income from overseas sales is denominated in foreign currencies such as USD. It is difficult to predict how external factors may impact the exchange rate of RMB to USD, or other foreign currencies in the future. Further appreciation of RMB against foreign currencies may affect our overseas operations. Conversely, if we decide to convert our RMB into Hong Kong dollars for the purpose of making payments for dividends on our H Shares or for other business purposes, any depreciation of RMB against the Hong Kong dollar would have a negative effect on the value of, and any dividends payable on, our H Shares.

In managing the foreign exchange risks, we used foreign currency forward contracts as hedging instruments. As of December 31, 2023, 2024 and 2025, our derivative financial instruments recorded as assets amounted to RMB83.3 million, RMB223.0 million and RMB134.1 million, respectively, and our derivative financial instruments recorded as liabilities amounted to RMB49.9 million, RMB231.7 million and RMB158.3 million, respectively. Our adoption of and decisions related to hedging instruments depend on the nature of the transaction and financial market conditions after conducting a detailed assessment. However, the availability and effectiveness of these hedging measures may be limited, and we may not be able to adequately cover our exposure or at all.

We have granted, and may continue to grant, certain awards under our share incentive plans, which may result in increased share-based payment expenses, affect our business, results of operations, financial condition and prospects, and potentially dilute the shareholding of our existing shareholders.

We adopted share incentive plans including share-based payments for the benefit of our Directors and employees to incentivize and reward the eligible persons who have contributed to our success. In 2023, 2024 and 2025, we recorded equity-settled share-based payment expenses of RMB110.7 million, RMB90.3 million and RMB98.4 million, respectively. We believe the granting of share-based payments is of significant importance to our ability to attract and retain key personnel and employees. Nevertheless, share-based payment expenses would potentially dilute the shareholding of existing shareholders. We may continue to grant share-based payments to employees in the future. As a result, our share-based payment expenses may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules, lock-up period, or other key terms applicable to the grants under the share incentive plan from time to time. If we choose to do so, we may experience a substantial change in our share-based payment expenses in the reporting periods following this Global Offering.

We may record impairments of intangible assets and goodwill.

We may record impairments of intangible assets and goodwill, which may adversely affect our financial condition and results of operations. Impairment tests on goodwill are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When these events occur, we measure impairment by comparing the carrying value of the asset to the recoverable amount of such asset, which is the greater of the fair value less costs of disposal and the value in use. If the recoverable amount is less than the carrying amount of such asset, we recognize an impairment loss based on the recoverable amount of such asset.

The application of impairment test to our goodwill and intangible assets, requires management's judgment, including an estimate of the recoverable amount which is the higher of its value in use and its fair value less costs of disposal. We use the value in use of the cash-generating unit to which the goodwill is allocated to determine the recoverable amount. The cash flow projections used to determine the value in use of a cash-generating unit is based on assumptions, such as revenue growth rates, long-term growth rate, gross margin rates, and discount rate applied to the projected cash flows. These assumptions may be affected by unexpected changes in future market or economic conditions. If our estimates and judgments are inaccurate, the recoverable amount determined could be inaccurate and the impairment recognized may not be adequate, and we may need to record additional impairments in the future.

We are exposed to fair value changes for financial assets at fair value through profit or loss and valuation uncertainty.

As part of our investment strategies, we invested in various financial assets to enhance our income without interfering with our normal business operation and capital expenditures. As of December 31, 2025, our financial assets at fair value through profit or loss amounted to RMB777.9 million. See Note 25 in Appendix I to this prospectus for details. During the Track Record Period, we held wealth management products and equity interests in private companies, which are classified as financial assets at fair value through profit or loss. Factors beyond our control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but are not limited to, general economic conditions, changes in market interest rates, credit risks and stability of the capital markets. The valuation may involve a significant degree of judgement and assumptions which are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our business, financial condition and results of operations.

Additionally, we hold equity investments in various public companies. Such equity investment is classified as financial assets at fair value through profit or loss, and their fair value is measured by the quoted market price of the shares. The price of these securities may fluctuate with changes in market conditions as well as the performance and business prospects of these companies, among others, all of which are beyond our control. Any decrease in the prices of these securities will result in fair value losses on financial assets at fair value through profit or loss and may adversely affect our financial condition.

We may require additional funding to finance our operations, which may not be available on terms acceptable to us.

We believe that taking into account our available resources including cash and cash equivalents on hand, the operating cash flows, the available banking facilities and the net estimated proceeds from the Global Offering, we have sufficient working capital for our present requirements and for the next 12 months from the date of this prospectus. We may, however, require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that our funding requirements exceed our financial resources, we will be required to seek additional financing or to defer planned expenditures. We may not be able to obtain additional funds on terms acceptable to us, or at all. In addition, our ability to raise additional funds in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, general market conditions for capital raising and debt financing activities and economic, political and other conditions in the markets in which we operate.

Furthermore, if we raise additional funds by incurring debt, we may be subject to various covenants under the relevant debt instruments. Servicing such debt obligations could also be burdensome to our operations. If we fail to service our debt obligations or are unable to comply with any of these covenants, we could be in default under such debt obligations and our liquidity and financial condition could be adversely affected.

Failure to collect our trade and bills receivables in a timely manner may adversely affect our liquidity.

We may not be able to collect our trade receivables in a timely manner, and we may face difficulty in collecting receivables for reasons beyond our control, such as customer's operational issues resulting in delayed payment past the relevant credit periods granted or being unable to pay us when payments are due. We had total trade and bills receivables of RMB14,417.6 million, RMB25,507.0 million and RMB34,368.7 million as of December 31, 2023, 2024 and 2025, respectively. Our trade and bills receivables turnover days were 61.5 days, 66.3 days and 63.7 days in 2023, 2024 and 2025, respectively. Any significant delay or default in our collection of trade and bills receivables may impose pressure on our cash flow and working capital and reduce the pool of available financial resources relative to our expectations and expenditure plans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We have incurred net operating cash outflows in the past, and we may continue to incur net operating cash outflows in the future.

In the year ended December 31, 2025, we recorded net operating cash outflows of RMB223.3 million. Those net operating cash outflows incurred were primarily attributable to our intensive working capital and high level of inventories to support our rapid business growth during the period. Although we generated positive net cash flow from our operating activities in 2023 and 2024, we cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we record net operating cash outflows in the future, our working capital may be constrained which may adversely affect our financial condition.

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 financial performance and results of operations.

We received government grants and preferential tax treatment under relevant preferential tax policies during the Track Record Period. In 2023, 2024 and 2025, several of our subsidiaries were accredited as “High New Tech Enterprise” during the Track Record Period and were therefore entitled to a preferential income tax rate of 15%. We were accredited as “High New Tech Enterprise” and enjoyed a preferential income tax rate of 15% in 2023 and 2025. In 2024, we were awarded as “key software enterprise” by the relevant government authorities and was subject to a preferential rate of 10%. In 2023, 2024 and 2025, we recorded government grants as other income of RMB350.8 million, RMB496.7 million and RMB508.3 million respectively.

We may not be able to continue to enjoy similar government grants and preferential tax treatment in the future as they are non-recurring in nature. The discontinuation of any of our government grants or current tax treatments could adversely materially affect our tax obligations and net income. Government grants and preferential tax treatments are subject to review of authorities and may be adjusted or revoked at any time in the future. We cannot guarantee that government grants and preferential tax treatments to which we and certain of our subsidiaries are currently entitled would be successfully renewed. There shall be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments, potentially with retrospective effect.

We expect to incur additional capital expenditure and depreciation expenses associated with the expansion of our production facilities

We plan to construct and commission new production lines at both domestic and overseas manufacturing centers and enhance manufacturing capacity and efficiency at existing manufacturing facilities in the PRC, Vietnam and India. As there will be a time lag before the capacity expansion projects begin to ramp up and start to contribute materially to revenue and profit, certain financial indicators, such as earnings per share, may fluctuate during the ramp-up period. Furthermore, we would incur additional capital expenditure in the future, which could negatively affect our financial condition and results of operations. In addition, there is no guarantee that we could achieve production efficiency and other expected benefits for establishing and utilizing our in-house production capacities in the near term, or at all.

We are subject to regulatory risks with respect to our tax compliance.

In the ordinary course of business we may be subject to inquiries, reviews, claims, assessments or other regulatory actions conducted by relevant tax or revenue authorities in the jurisdictions in which we operate. Such regulatory actions may also divert our management's attention and other resources, especially if they are not resolved in a timely manner. For example, we carried out certain intra-group transactions during the Track Record Period, and our profit allocation and income tax positions in connection with such transfer pricing arrangements are subject to the interpretations by relevant tax authorities of applicable tax law as well as applicable rules and regulations with respect to transfer pricing in relevant jurisdictions. There is no assurance that the respective tax authorities would not challenge the appropriateness of our historical transfer pricing arrangements or that the relevant regulations or standards governing such arrangements will not be subject to future changes. If a competent tax authority later determines that the transfer prices and the transaction terms that we have adopted as well as our historical income tax provisions and accruals are not appropriate, such authority may require the relevant subsidiaries to re-assess the transfer prices and re-allocate the income or adjust the taxable income. If we are considered not to be in compliance with the applicable transfer pricing rules and regulations, the relevant tax authority may also have the power to order us to pay all outstanding tax and statutory interest and/or fines.

Our success depends largely on the continued service of our senior management and key technical personnel and our ability to recruit, train or retain qualified personnel or sufficient workforce.

Much of our future success depends on the continued contributions of our senior management and other key employees, many of whom are difficult to replace. If one or more of our executive officers, our senior management team and other highly skilled employees were unable or unwilling to continue to contribute their services, we may not be able to replace them in a timely manner. Competition for qualified talent is intense. Our future success depends on our ability to attract a large number of qualified employees and retain existing key employees. If we are unable to do so, our business and growth may be materially and adversely affected.

We intend to hire additional qualified employees to support our business operations and planned expansion. Our future success depends, to a significant extent, on our ability to recruit, train or retain qualified personnel, particularly technical, marketing and other operational personnel with experience in the relevant industry. Our experienced mid-level managers are instrumental in implementing our business strategies, executing our business plans and supporting our business operations and growth. The effective operation of our managerial and operating systems also depends on the hard work and quality of the performance of our management and employees.

Our industry is characterized by high demand and intense competition for talent and labor, while qualified individuals in the relevant industries are in short supply and competition for workers is intense. We can provide no assurance that we will be able to attract or retain qualified staff or other highly skilled employees that we will need to achieve our strategic objectives. In addition, our ability to train and integrate new employees into our operations may also be limited and may not meet the demand for our business growth in a timely fashion, or at all, and rapid expansion may impair our ability to maintain our corporate culture.

If we experience increases in labor costs, shortage of labor or deterioration in labor relations, our manufacturing costs and operating expenses may be affected.

Labor costs have been fluctuating and may rise in the future. Labor cost increases may cause our manufacturing costs and operating expenses to increase, and we may not be able to pass on such increases to our customers. We also cannot assure you that we will not experience any shortage of labor. Any such shortage could hinder our ability to maintain our manufacturing schedules and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We seek to maintain favorable relations with our employees as we believe that our long-term growth depends on the expertise, experience and development of our employees. For details of our employee training efforts and welfare, see "Business — Employees." However, we cannot assure you that we will not have any labor disputes in the future. Any deterioration of our employment relations could result in disputes, strikes, claims, legal proceedings and reputational damage, labor shortages that disrupt our business operations, as well as loss of experience, know-how and trade secrets.

Our operations rely on IT systems and networks and our business and reputation may be impacted by IT system failures, network disruptions or cybersecurity breaches.

We rely extensively on IT systems, some of which are supported by third-party vendors, to manage and operate our business. We may experience failures on these systems in the future. If these systems cease to function properly, if these systems experience security breaches or disruptions or if these systems do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have a material adverse impact on our business, results of operations and financial condition. If the software installed on the computers used by us and our employees is not properly authorized or licensed, we may be subject to claims or litigations from software vendors. We may be subject to IT system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, or other events or disruptions. System redundancy and other continuity measures may be ineffective or inadequate, and our business continuity and disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could adversely impact our business by, among other things, preventing access to our internet services, interfering with customer transactions or impeding the assembling and shipping of our products. These events could materially and adversely affect our reputation, financial condition and operating results.

Our IT systems may be subject to computer viruses or other malicious codes, unauthorized access attempts, phishing and other cyberattacks. We continue to assess potential threats and make investments seeking to address and prevent these threats, including monitoring of our networks and systems and upgrading skills, employee training and security policies for us and our third-party providers. However, because the techniques used in these cyberattacks evolve frequently and may be difficult to detect for periods of time, we may face difficulties in anticipating and implementing adequate preventative measures and we cannot guarantee that our security efforts will prevent breaches or breakdowns to our or our third-party providers' databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly or if we or one of our third-party providers suffer a loss, significant unavailability of or leak of our business or stakeholder information and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to reputational, competitive and business harm as well as litigation and regulatory action, including administrative fines.

We may be involved in claims, disputes and legal proceedings in our ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, breach of contract, employment or labor disputes, antitrust, infringement of intellectual property rights (including but not limited to our trademarks that include our Company's name), and environmental matters. If we fail in defending ourselves against any such claims, we may be subject to substantial damages to compensate the claimants. Any claims, disputes or legal proceedings initiated by us, or brought against us, with or without merit, may result in substantial costs and diversion of resources and may materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to defective supplies from our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs incurred as a result of such claims, disputes and legal proceedings.

Our business operations are susceptible to disruptions from force majeure events, including natural disasters, outbreaks of contagious diseases, and other extraordinary events, which could materially and adversely affect our business and results of operations, and such losses may not be fully covered by insurance.

Our business may be adversely affected by the occurrence of force majeure events, including natural disasters, outbreaks of contagious diseases, and other extraordinary events, such as typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events especially in the areas where we operate. In addition, any outbreak of a contagious disease, such as severe acute respiratory syndrome (SARS), Middle East respiratory syndrome, avian influenza or novel coronavirus disease (COVID-19), could disrupt our operations with respect to our global supply chain, manufacturing, delivery and sales. Such events could decrease the demand for our products, impact the productivity of our workforce, make it difficult or impossible for us to manufacture and deliver products to our customers in a timely manner, or to receive materials and equipment from our suppliers. Should major public health emergencies, including pandemics, arise, we could be materially and adversely affected by more stringent employee travel restrictions, additional requirements in freight, relevant policies affecting the movement of products between regions, delays in the ramp-up of the manufacturing capacity and disruptions in the operations of our suppliers. In the event of a natural disaster, we could suffer significant losses, which could require substantial recovery time and result in significant expenditures in order to resume operations.

Our limited insurance coverage may not cover all losses, which may increase our operational costs.

We maintain various commercial insurance policies, including property all-risk insurance, cargo transportation insurance, and commercial general liability insurance covering product liability, commercial property, and premises liability. However, the amount of coverage, depending on the insurance policies to which we subscribe, may not be adequate to fully compensate all types of loss, damage and liability we may suffer in the future. For example, insurances covering loss from acts of war, terrorism, or natural disasters may be unavailable or cost prohibitive. In addition, we cannot guarantee that our policies can be renewed on similar or acceptable terms, or at all. If we suffer unexpected severe losses or losses that far exceed the policy limits, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Regulatory requirements regarding data protection and information security are constantly evolving, the changes of which or any data protection and information security incidents may have an adverse effect on our business and results of operations.

During the ordinary course of our business operations, we collect and store business, management, and transaction data, such as information in relation to our business and transactions with our customers, suppliers, and other relevant parties. Therefore, we are subject to laws and regulations relating to data protection and information security. Any improper handling of data or any other information security incidents, such as unauthorized access to our database by hackers, could result in reputation damage and/or civil or regulatory liabilities that may have significant legal, financial and operational consequences.

Regulatory requirements regarding the data security and data protection are constantly evolving, of which the interpretation and application are also evolving and subject to change that may affect us. If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failures could damage our reputation, results of operations and business prospects and/or could lead to civil or regulatory liabilities. Complying with new laws and regulations could also cause us to incur substantial costs or require us to change our business practices in a manner that has a material and adverse effect on our business.

We may not be able to detect and prevent fraud or other misconduct committed by our employees, customers, suppliers or other third parties.

We may be exposed to fraud or other misconduct committed by our employees, customers, suppliers or other third parties that could affect our reputation and subject us to litigation, financial losses and penalties imposed by governmental authorities. Such misconduct could include: (i) hiding unauthorized or unlawful activities; (ii) intentionally concealing material facts or failing to perform necessary due diligence procedures designed to identify potential risks that are material to our decision to make or dispose of investments and to engage in certain projects; (iii) improperly using or disclosing confidential information; (iv) engaging in improper activities such as offering bribes to, or receiving bribes from, counterparties in return for any type of benefit or gain; (v) misappropriating funds; (vi) conducting transactions that exceed authorized limits; (vii) engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities; or (viii) otherwise failing to comply with applicable laws or our internal policies and procedures.

Our internal control procedures are designed to monitor our operations and ensure overall compliance. However, such internal control procedures may be unable to identify all instances of misconducts of our employees relating to our operations, non-compliance or suspicious transactions in a timely manner, if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct and the precautions we take to prevent and detect such activities may not be effective. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may result in negative publicity upon us, in which event our business, reputation, results of operations and financial condition may be materially and adversely affected.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WE OPERATE

Failure to fully adapt to changes in the economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in China could materially and adversely affect our business, financial condition, results of operations and prospects.

The majority of our business assets are located in China. Accordingly, our business, financial condition, results of operations and prospects are subject to the economic, political and legal conditions in China. Political and economic policies of the PRC government could affect our business and financial condition. In recent years, the PRC government implemented a series of laws, regulations and policies with respect to, among other things, quality and safety control, and supervision and administration of companies in our industry. Please see "Regulatory Overview" for details. Laws, regulations and policies related to our industries will continue to refine, compliance to which may incur additional costs for us. If we cannot fully comply with these laws, regulations and policies, our business, financial condition, results of operations and prospects may be adversely affected.

Development in the legal system of certain geographic markets in which we operate could materially and adversely affect us.

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.

The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that were 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. 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 legal proceedings in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These circumstances may affect our judgment on the relevance of legal requirements changes and our ability to enforce our contractual rights or claims. In addition, the regulatory process 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.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in the geographic markets where we operate 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 our industries and affect our business, financial condition and results of operations.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends, deploy our proceeds from the Global Offering and other obligations, and may affect the value of your investment.

The conversion of Renminbi is subject to applicable laws and regulations in China. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE. We are required to present documentary evidence of such transactions and conduct such transactions at banks that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, normally need to be approved by or be registered by the SAFE or its designated banks.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, any change in these foreign exchange policies or any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, financial condition and results of operations, may be affected.

Furthermore, capital account transactions such as capital transfers, direct investments, securities investments and repayment of borrowings are subject to foreign exchange policies and require prior approval from the SAFE or registration with the SAFE or authorized banks. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Non-PRC Holders of our H Shares may be subject to PRC income tax obligations.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor's jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if 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% PRC income tax rate if such gains are regarded as income from sources within the PRC 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 the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following 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-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉 讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關 問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有 關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC 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 the PRC may not qualify for benefits under such tax treaties or arrangements.

We may be subject to approval, filing or other regulatory requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We may, from time to time, undertake capital raising activities, including offerings of equity or debt securities in the PRC or overseas markets. In connection with such activities, we may become subject to approval, filing, registration or other regulatory requirements imposed by the CSRC or other relevant PRC governmental authorities, particularly the regulatory frameworks governing offshore listings and securities offerings by PRC-related entities. Any failure or delay in obtaining the necessary approvals or completing the required filings could materially and adversely affect our ability to access capital markets in a timely manner or on commercially favorable terms, which may in turn impact our funding strategy, expansion plans and overall financial condition.

You may experience difficulties in effecting service of legal process and enforcing judgments against us, our most Directors and senior management.

We are a company incorporated under the PRC laws and a majority of our assets and subsidiaries are located in China. The majority of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. As a result, it may be complex for investors to effect service of process upon or to enforce judgments outside of China against us and most of our Directors and senior management outside China. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in China only if the jurisdiction has a treaty with China or if the jurisdiction has been otherwise deemed by the courts of China to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, China is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in China of judgments of a court in these jurisdictions may consequently be difficult or impossible. On July 3, 2008, the Supreme People's Court promulgated the Arrangement between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "2008 Arrangement"). Under the 2008 Arrangement, where any designated court of China or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, the party concerned may apply to the relevant court of China or Hong Kong court for recognition and enforcement of the judgment. The 2008 Arrangement took effect on August 1, 2008, but the effectiveness of any action brought under the arrangement remains uncertain. On January 25, 2024, the Supreme People's Court promulgated 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 (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) (the "2024 Arrangement"), which became effective on January 29, 2024. The 2024 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in China and those in Hong Kong. However, the 2008 Arrangement will remain applicable to a "choice of court agreement in writing" within the meaning of 2008 Arrangement which is made before the effective date of 2024 Arrangement.

Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We, our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options of H shares will be subject to these regulations when we become an H-share listed company upon the completion of the Global Offering. Failure to complete SAFE registrations may subject them to fines and legal sanctions. In light of the above, we cannot assure you that the H shares incentive plans we implement in the future will comply with relevant arrangement under PRC law. In addition, the STA has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. We have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities.

RISKS RELATED TO THE GLOBAL OFFERING

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

As we are listed on the Shanghai Stock Exchange and will be listed on the Main Board of the Stock Exchange 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 Shanghai Stock Exchange. Following the Global Offering, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be traded on the Stock Exchange. Under 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, 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 an active trading market for our H Shares may not develop or be sustained.

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you 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 Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators and us, and may not be an indication 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.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The market price of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, especially by our Directors, executive officers and Controlling Shareholders Group, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. 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.

The interests of our Controlling Shareholders Group may not be aligned with the interests of other Shareholders. Changes in our Controlling Shareholders Group's equity interest in our Company may affect our shareholding structure.

Immediately following the completion of the Global Offering and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, our Controlling Shareholders Group will hold approximately 41.01% of the total Shares in issue, which may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders Group may differ from the interests of our other Shareholders. It is possible that our Controlling Shareholders Group may exercise their substantial influence over us and may cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

As of the Latest Practicable Date, 20,400,000 A Shares of the Company held by Shanghai Haixian were pledged to Tibet Trust as security for debt repayment obligations. The pledge is expected to expire on March 29, 2027. The pledge secures all the debt repayment obligations, including principal, interest, penalties and related expenses, and cannot be transferred without Tibet Trust's prior written consent. If breached, additional collateral must be provided or Tibet Trust may enforce the pledge. See "History and Corporate Structure – Our Shareholding and Corporate Structure." In the event that the aforementioned share pledges entered into by Shanghai Haixian are enforced, Shanghai Haixian may no longer be able to exert the same level of impact over our Company, which may have a material adverse impact on our shareholding structure.

The liquidity, trading volume and market price of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows and investments, changes in our pricing policies and expenditures, regulatory developments, demand for our services, unexpected business interruptions resulting from natural disasters or power shortages, our ability to obtain or maintain regulatory approval for our operations, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility and fluctuations in trading volume in the past, and it is possible that our H Shares may be subject to fluctuations in price and volume not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

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 have declared dividends in the past. However, our historical dividends may not be indicative of our future dividend policy. We cannot guarantee when and in what form dividends will be paid on our H Shares following the Global Offering. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See "Financial Information — Dividends" for more details.

We are exposed to risks associated with the potential spin-off.

We periodically evaluate strategic opportunities to enhance shareholder value, including, among others, spinning off subsidiaries, businesses or assets, in light of our operations across multiple jurisdictions and markets, as well as our development of new business initiatives. These evaluations are contingent upon factors such as our management's assessment of the business models and development, financing needs, market conditions and regulatory approvals. Pursuant to Rules for Spin-off of Listed Companies (for Trial Implementation) (《上市公司分拆規則(試行)》), a listed company in the PRC is prohibited from conducting any spin-off unless it has been listed on a domestic stock market for three years or more. As our A Shares have been listed on the Shanghai Stock Exchange since August 8, 2023, we may conduct spin-offs from August 8, 2026. While no concrete plans have been formulated, we cannot preclude the possibility of spin-offs within three years of the Listing should they be in the interests of the Company and its Shareholders, which may require further applications for waivers to be granted by the Stock Exchange.

A spin-off may enable our subsidiaries or businesses to access capital markets directly and independently and secure the financing necessary to accelerate growth, facilitate continued business innovation, enhance business profile and reputation, strengthen competitive positioning and create better alignment of incentives, there is no assurance that these objectives will be achieved in full. Material risks associated with spin-offs may still include potential disruptions to our Group's business model and operations, unanticipated costs and uncertain performance trajectories of spun-off entities, including their ability to sustain competitive positions. We may not achieve the desired strategic and financial benefits from such spin-off transactions. Should the spun-off entities encounter adverse changes in the industry landscape, operational challenges or financial difficulties, it may have adverse impact on our Group's strategic objectives, financial performance or position and corporate reputation. In the event of any proposed spin-off, we will ensure to provide full disclosure to the Shareholders and obtain all necessary regulatory and Shareholder approvals under applicable laws, rules and regulations.

You should not place any reliance on any information released by us in connection with the listing of our A Shares.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in China, which are different from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this prospectus. Therefore, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this prospectus. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and any formal announcements made by us in Hong Kong with respect to the Global Offering.

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

This prospectus 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, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily 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. As a consequence, 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.

You should read the entire prospectus carefully and only rely on the information included in this prospectus to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H 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 H Shares and the Global Offering. Prior to the publication of this prospectus, 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 prospectus, 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 prospectus, we disclaim responsibility for it and our investors should not rely on such information.

Certain facts, forecast and other statistics in this prospectus obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this prospectus are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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 Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Hong Kong Listing Rules 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 that there are no other matters the omission of which would make any statement herein or this prospectus misleading.

CSRC FILING

We have completed the filing procedures with the CSRC on January 22, 2026 for the Global Offering and the Listing of our H Shares on the Hong Kong Stock Exchange in accordance with the Trial Administrative Measures of 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》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023. In giving such confirmation, the CSRC accepts no responsibility for the financial soundness of us or for the accuracy of any of the statements made or opinions expressed in this prospectus. No other approvals are required to be obtained for the listing of the H Shares on the Hong Kong 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 5,854,900 Offer Shares and the International Offering of initially 52,693,300 Offer Shares (subject, in each, to reallocation and the Offer Size Adjustment Option 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 the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, any of our or their affiliates or any of their respective directors, officers, employees, advisors, 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.

See "Structure of the Global Offering" for details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option/Offer Size Adjustment Option and stabilization.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for the Hong Kong Offer Shares is set forth in "How to Apply for the Hong Kong Offer Shares" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her 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 and that he/she is not acquiring, and has not been offered, any Offer Shares in circumstances that contravene any such restrictions.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to 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 offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the U.S.

STRUCTURE OF THE GLOBAL OFFERING AND UNDERWRITING

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. 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. The International Offering is expected to be fully underwritten by the International Underwriters, subject to the agreement on the Offer Price between us and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators. See "Underwriting" for further details on the Underwriters and the underwriting arrangements.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by us and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators on or around Tuesday, April 21, 2026 or such other date as agreed between parties, and in any event no later than 12:00 noon on Tuesday, April 21, 2026.

If, for any reason, the Offer Price is not agreed between us and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators at or before 12:00 noon on Tuesday, April 21, 2026, the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse.

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 and the Offer Size Adjustment Option). Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, April 23, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence on Thursday, April 23, 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 3296. Except as otherwise disclosed in this prospectus, no part of our H Shares is listed on or dealt in on 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 void 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 the Company by or on behalf of the Hong Kong Stock Exchange.

OFFER SIZE ADJUSTMENT OPTION, OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Offer Size Adjustment Option, the Over-allotment Option and stabilization are set out in "Structure of the Global Offering."

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 Business Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisors 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. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty. Investors should seek professional tax advice for further details of Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by the 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 the Company in Hong Kong and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of the Company.

REPRESENTATION OF PERSONS APPLYING FOR OR PURCHASING H SHARES UNDER THE GLOBAL OFFERING

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates (as defined in the Hong Kong Listing Rules) of any of the Directors of the Company or an existing Shareholder of the Company or a nominee of any of the foregoing.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors 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 the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, 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 subsidiary) have been included in this prospectus in both the Chinese and English languages. In the event of any inconsistency, the Chinese name shall prevail.

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 the convenience purposes at the following rates: Renminbi into Hong Kong dollars at the rate of HK$1.00 to RMB0.8795, Renminbi into U.S. dollars at the rate of US$1.00 to RMB6.8929 and Hong Kong dollars into U.S. dollars at the rate of US$1.00 to HK$7.8373.

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

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 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.

Given that (i) our Group's headquarters, senior management, business operations and assets are primarily based outside of Hong Kong; (ii) our executive Directors and members of the senior management team principally reside in China; and (iii) the management and operations of the Company have been mainly under the supervision and guidance of our executive Directors and senior management team, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group's businesses and it is important for them to remain in close proximity to the Group's operations located in China, the Directors consider that the appointment of executive directors 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. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 and Rule 19A.15 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, Mr. Qiu Wensheng, our executive Director, and Ms. Ng Wai Kam ("Ms. Ng"), our joint company secretary as our authorized representatives (together, the "Authorized Representatives") who shall act at all times as the principal channel of communication with the Stock Exchange upon Listing. Each of our Authorized Representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail (where available) to deal promptly with enquiries from the Stock Exchange and will be able to meet with the Stock Exchange within a reasonable timeframe on request. Each of our Authorized Representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives;

(b) each of our Authorized Representatives has means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including telephone number, mobile phone number and/or email address (where available)) 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;

(d) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Somerley Capital Limited as our Compliance Advisor from the Listing Date to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the Listing Date. The Compliance Advisor will maintain constant contact with the Authorized Representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. Our Authorized Representatives, Directors and other members of the senior management of our Company will promptly provide such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules; and

(e) meetings between the Stock Exchange and our Directors will be arranged through the Authorized Representatives, or directly with our Directors within a reasonable timeframe. We will inform the Stock Exchange promptly in respect of any change in our Authorized Representatives and/or our Compliance Advisor.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

(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).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/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.

Pursuant to Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience (both as defined under paragraph 11 of Chapter 3.10 under the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "Waiver Period") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Li Yutao ("Ms. Li") as one of our joint company secretaries. Ms. Li has extensive experience in handling Board secretarial affairs and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. Ng Wai Kam ("Ms. Ng"), who is an associate of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom and meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance to Ms. Li for an initial period of three years from the Listing Date to enable Ms. Li to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For details of their biographies, see "Directors and Senior Management — Joint Company Secretaries."

Given Ms. Ng's professional qualification and experience, she will be able to explain to both Ms. Li and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Ng will also assist Ms. Li in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Li is expected to work closely with Ms. Ng and will maintain regular contact with Ms. Ng. In addition, both Ms. Li and Ms. Ng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Ms. Li and Ms. Ng will also be assisted by the Compliance Advisor and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Li does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange 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 such that Ms. Li may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the Listing Date on the conditions that (a) Ms. Li must be assisted by Ms. Ng who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Ng ceases to provide assistance to Ms. Li as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Ms. Li will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange before the expiration of the three-year period to enable it to assess whether Ms. Li, having benefited from the assistance of Ms. Ng for the preceding three years, will have acquired the skills necessary to carry out the duties of a 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.

WAIVER IN RELATION TO POST-TRACK RECORD PERIOD ACQUISITION

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the Accountants' Report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Minority Investments after December 31, 2025

Since December 31, 2025 and up to the date of this prospectus, the Group has conducted the following investments (the completion of which had not occurred as of December 31, 2025, the "Minority Investments"), the details of which are set out below.

No.	Name of the target Company	Minority interest	Principal business activities of the target company
1. . . .	OmniVision Integrated Circuits Group, Inc. (豪威集成電路(集團)股份有限公司) ("OmniVision") (a company listed on the Shanghai Stock Exchange (Stock Code: 603501) and the Main Board of Stock Exchange (Stock Code: 00501))	Subscribed for 2,227,100 H shares of OmniVision as a cornerstone investor, at a consideration of approximately USD30.0 million, representing approximately 0.18% equity interest in OminVision after the completion of this investment.	A fabless chip design company primarily engaged in chip design business
2. . . .	GigaDevice Semiconductor Inc. (兆易創新科技集團股份有限公司, ("GigaDevice") (a company listed on the Shanghai Stock Exchange (Stock Code: 603986) and the Main Board of Stock Exchange (Stock Code: 03986))	Subscribed for 1,440,900 H shares of GigaDevice as a cornerstone investor, at a consideration of approximately USD30.0 million, representing approximately 0.21% equity interest in GigaDevice after the completion of this investment.	Research and development, technical support, and sales of memory, microcontrollers, sensors, and analog chips
3. . . .	Montage Technology Co., Ltd. (瀾起科技股份有限公司) ("Montage Tech") (a company listed on the Shanghai Stock Exchange STAR Market (Stock Code: 688008) and the Main Board of Stock Exchange (Stock Code: 06809))	Subscribed for 729,500 H shares of Montage Tech as a cornerstone investor, at a consideration of approximately USD10.0 million, representing approximately 0.06% equity interest in Montage Tech after the completion of this investment	Design of integrated circuit
4. . . .	Target Company A[(1)]	Propose to subscribe the A shares of Target Company A, at a consideration not exceeding RMB800 million	Research, development, design, production, and sales of dynamic random access memory (DRAM) products

No.	Name of the target Company	Minority interest	Principal business activities of the target company
5. . . .	Target Company B	Subscribed the minority interest, at a consideration of USD4 million, representing approximately 5% equity interest in Target Company B after the completion of this investment	Providing Robot-as-a-Service (RaaS) solutions focused on specific vertical scenarios
6 . . .	Target Company C	Subscribed the minority interests, at a consideration of RMB50 million, representing approximately 1.1933% equity interest in Target Company C after the completion of this investment	Embodied intelligence business integrating large model technology with robotics applications
7 . . .	Target Company D[(1)]	Propose to subscribe the minority interests, at a consideration of approximately RMB100 million, representing approximately 0.5882% of equity interest in Target Company D after the completion of this investment	A semiconductor manufacturing company specializing in mature processing technologies
8 . . .	Victory Giant Technology (Huizhou) Co., Ltd. (勝宏科技(惠州)股份有限公司) ("Victory Giant")[(1)]	Propose to subscribe the H shares of Victory Giant, at a consideration of approximately USD10 million, representing approximately 0.04% of equity interest of Victory Giant after the completion of this investment	A leading PCB manufacturer specializing in advanced PCB products for AI and high-performance computing, including high-build-up high-density interconnects and high-layer-count multi-layer printed circuit boards

Note:

1. Given that the Company has not yet entered into any legally binding agreement for these investments as at the Latest Practicable Date, the information set out above might be subject to further changes.

We confirm that the investment amounts for the minority investment to OmniVision (the "Omnivision Investment"), to GigaDevice (the "GigaDevice Investment") and to Montage Tech (the "Montage Tech Investment") have been determined based on the final offer price of OmniVision's, GigaDevice's and Montage Tech's H shares respectively. The investment amounts were satisfied by our internal resources. To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, each of OmniVision, GigaDevice and Montage Tech and their respective ultimate beneficial owner is an Independent Third Party as of Latest Practicable Date.

We confirm that the investment amounts for the minority investment to Target Company A (the "Target Company A Investment") will be determined based on the final offer price of Target Company A's A share. The investment amounts will be satisfied by our internal resources. To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, each of Target Company A and its ultimate beneficial owner is an Independent Third Party as of Latest Practicable Date.

We confirm that the investment amounts for the minority investment to Target Company B (the "Target Company B Investment"), to Target Company C (the "Target Company C Investment") and to Target Company D (the "Target Company D Investment") will be determined upon arm's length negotiations between the parties of the relevant transaction, having considered various factors, including market dynamics and mutually agreed valuations. The investment amounts will be satisfied by our internal resources. To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, each of Target Company B, Target Company C, Target Company D and their respective ultimate beneficial owners are an Independent Third Party as of Latest Practicable Date.

We confirm that the investment amounts for the minority investment to Victory Giant (the "Victory Giant Investment") will be determined based on the final offer price of Victory Giant's H share. The investment amounts will be satisfied by our internal resources. To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, each of Victory Giant and its ultimate beneficial owner is an Independent Third Party as of Latest Practicable Date.

The primary reasons for us making the OmniVision Investment, the GigaDevice Investment, the Montage Tech Investment, the Target Company A Investment, the Target Company D Investment and the Victory Giant Investment are to invest in companies complementary to our core business such that we could create strategic synergy and provide products, services and/or resources that we believe can help us efficiently expand product and service offerings, or have developed proprietary technologies complementary to us.

The primary reason for us making the Target Company B Investment are based on our optimistic outlook on its future development in the field of Robot-as-a-Service (RaaS). The primary reason for us making the Target Company C Investment are based on our optimistic outlook on its future development in the field of embodied intelligence business integrating large model technology with robotics applications.

Accordingly, our Directors believe that the Minority Investments were fair and reasonable and in the interests of the Shareholders as a whole.

As of the Latest Practicable Date, the OmniVision Investment, the GigaDevice Investment, the Montage Tech Investment, Target Company B Investment and Target Company C Investment were completed.

Conditions for granting the waiver and its scope in respect of the Minority Investments

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Minority Investments on the following grounds:

The percentage ratios of the Minority Investments are less than 5% by reference to the most recent audited financial year of our Company's Track Record Period

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Minority Investments are all less than 5% by reference to the most recent audited financial year of the Track Record Period.

Accordingly, we do not expect the Minority Investments to result in any significant changes to our financial position since December 31, 2025, and all information that is reasonably necessary for potential investors to make an informed assessment of our activities or financial position has been included in this document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

It would be unduly burdensome to obtain or prepare the historical financial information of the target companies for inclusion in this document

As of the Latest Practicable Date, the Group only hold minority equity interests in each of OmniVision, GigaDevice and Montage Tech and do not control their boards of directors and the Group did not have any equity interest in Target Company A, Target Company D and Victory Giant and did not have any representation at their board of directors. Given that our Group is neither able to exercise any control nor have any significant influence over each of the OmniVision, GigaDevice, Montage Tech, Target Company A, Target Company B, Target Company C, Target Company D and Victory Giant, we would not be able to compel or request each of them to cooperate with our audit work in order for us to comply with the relevant requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

In addition, having considered the Minority Investments to be immaterial and that our Company does not expect the Minority Investments to have any material impact on its business, financial condition or operations, our Company believes that (i) it would not be meaningful and would be unduly burdensome for our Company to prepare and include the financial information of the target companies during the Track Record Period in this document, and (ii) the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the Shareholders or prospective investors.

Alternative disclosure of the Minority Investments in this document

We have disclosed alternative information about the Minority Investments in this document. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the target company's principal business activities, the consideration, the amount of equity interest to be acquired by our Company and the independence with the counterparties and their ultimate beneficial owners.

The Company has, however, excluded disclosure of the name of Target Company B in connection with the Target Company B Investment, Target Company C in connection with the Target Company C Investment and Target Company D in connection with the Target Company D Investment as the relevant agreement imposed confidentiality obligations on our Group and we do not have consent from the other parties to the agreement for such disclosure. The Company has also excluded disclosure of the name of Target Company A because the Company has not yet entered into any legally binding agreement for these investments as of the Latest Practicable Date and disclosure of the names of their names in this document is commercially sensitive and may jeopardize our ability to consummate the proposed investments.

Since the relevant percentage ratios of the Minority Investments are less than 5% by reference to the most recent fiscal year of the Company's Track Record Period, we believe the current disclosure is adequate for potential investors to form an informed assessment of our Company.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

WAIVER IN RESPECT OF ALTERATION IN SHARE CAPITAL

Paragraph 26 of Appendix D1A to the Listing Rules requires this prospectus to include the particulars of any alterations in the capital of any member of our Group within the two years immediately preceding the issue of this prospectus.

As of the Latest Practicable Date, we have over 70 subsidiaries globally. It would be unduly burdensome for us to disclose the required information in respect of all of its subsidiaries as our Company would have to incur additional costs and devote additional resources in compiling and verifying the relevant information for such disclosure, which would not be material nor meaningful to investors. The non-disclosure of such information will not prejudice the interests of our Shareholders or potential investors.

We have identified seven subsidiaries (collectively, the "Major Subsidiaries" and each a "Major Subsidiary") that we consider are material to our operations and individually contributed to 5% or more of our Group's total assets, net assets, or revenue for each of the years ended December 31, 2023, 2024 and 2025. By way of illustration, before intercompany eliminations and based on the consolidated statements of financial position as of December 31, 2023, 2024 and 2025, the aggregate assets of the Company and its Major Subsidiaries (before intercompany eliminations) represent approximately 72%, 69% and 61% of our total assets, the net assets of the Company and its Major Subsidiaries (before intercompany eliminations) represent approximately 74%, 66% and 56% of our total net assets and for each of the years ended December 31, 2023, 2024 and 2025, the aggregate revenue of the Company and its Major Subsidiaries (before intercompany eliminations) represents approximately 89%, 89% and 74% of our total revenue for each of the years ended December 31, 2023, 2024 and 2025. Accordingly, the remaining subsidiaries which are not Major Subsidiaries in our Group are relatively insignificant to the overall results of our Group.

We have disclosed the particulars of the changes in the share capital of our Company and the Major Subsidiaries in the section headed "Statutory and General Information — (A) Further Information About Our Group — 2. Changes in Share Capital of our Company" and "Statutory and General Information — (A) Further Information About Our Group — 3. Changes in Share Capital of our Major Subsidiaries" in Appendix VI to this prospectus.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under paragraph 26 of Appendix D1A to the Listing Rules, in respect of disclosing the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this prospectus.

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) (as amended and replaced by Rule 19A.13A(2)) of the Listing Rules must be achieved.

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides that 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 giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Prior to the Listing, our Company's share capital comprises entirely A Shares listed on the Shanghai Stock Exchange. We have a large and widely dispersed public A Share shareholder base. Certain existing minority Shareholders and/or their close associates may participate in the Global Offering as cornerstone investors and/or as placees.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.04 and 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 voting rights in 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"), subject to the conditions as follows:

(i) the Joint Sponsors confirm that each Existing Minority Shareholder to whom our Company may allocate the H Shares in the International Offering holds less than 5% of the voting rights in our Company before Listing;

(ii) the Joint Sponsors confirm that 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) the Joint Sponsors confirm that none of the Existing Minority Shareholders has the right to appoint a Director and/or have any other special rights;

(iv) the Joint Sponsors confirm that allocation to the Existing Minority Shareholders or their close associates will not affect our 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(2)) of the Listing Rules;

(v) the Joint Sponsors confirm to the Stock Exchange in writing that based on (i) their discussions with our Company and the Overall Coordinators; and (ii) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators (as mentioned in the confirmations (vi) and (vii) below), and to the best of their knowledge and belief, they have 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 the 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 the details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of the 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) to the best knowledge and belief of our Company, and based on discussions between our Company and the Overall Coordinators and confirmations required to be submitted to the Stock Exchange by the Joint Sponsors, 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 the 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 the Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche;

(vii) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that, to the best of their 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.

Allocation to the Existing Minority Shareholders and/or their close associates will not be disclosed in the allotment results announcement of our Company (other than to the extent that such Existing Minority Shareholders or close associates subscribe for Offer Shares as cornerstone investors) as our Company believes that it would be unduly burdensome for us to disclose such information given that (i) there is no requirement to disclose interests under the PRC laws unless such person is an owner of more than 5% of the issued share capital of our Company, the directors or senior management of our Company or top ten Shareholders of our Company, and (ii) The Hong Kong Securities Clearing Company Limited, as trustee, holds A Shares on behalf of investors in Hong Kong and overseas pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect and our Company is unable to identify Shareholders who hold A Shares through the Shanghai-Hong Kong Stock Connect.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY CERTAIN CORNERSTONE INVESTORS WHO ARE CONNECTED CLIENTS

Paragraph 1(C)(1) of the Appendix F1 to the Listing Rules - Placing Guidelines for Equity Securities (the "**Placing Guidelines**") 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 Stock Exchange.

Paragraph 1(B) of the Placing Guidelines 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 cornerstone investment agreements with the Company and China International Capital Corporation Hong Kong Securities Limited ("**CICCHKS**"). CICC FT and China International Capital Corporation Limited ("**CICCL**") will enter into a series of cross border delta-one OTC swap transactions (the "**Gaoyi OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Gaoyi)**"), respectively, pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Gaoyi OTC Swaps, while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Gaoyi). CICC FT and CICCHKS, one of the Joint Sponsors, Overall Coordinators and Underwriters of the Global Offering, 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 1(C)(1) of the Placing Guidelines to permit CICC FT (in connection with Gaoyi OTC Swaps) (the "**Connected Client Cornerstone Investor**") 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 the CICC FT does not contain any material terms which are more favorable to them (as the case may be) 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 relevant cornerstone investment agreement;

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

e. each of the Company, the Overall Coordinators and the Connected Client Cornerstone Investor has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide; and

f. details of the cornerstone investment and details of the allocations will be disclosed in this prospectus and the allotment results announcement.

WAIVER IN RESPECT OF 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 the 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 the prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Stock Exchange for a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules so that the Company will only disclose the maximum Offer Price in the 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 Shanghai Stock Exchange on the last trading day on or before the Price Determination Date. Given the nature of our A Shares, we are unable to control the trading price of our A Shares on the Shanghai Stock Exchange; and

(b) As a company listed on the Shanghai Stock Exchange with A Shares publicly traded thereon, setting a price range with a low-end may adversely affect (a) the market price of our A Shares, (b) our ability to price the Offer Shares given potential price fluctuations of our A Shares during the period from the date of the prospectus until the pricing of the Global Offering; and (c) ultimately the Company's ability to price in the best interest of the Company and its Shareholders and potential investors.

The Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that the 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 prices of our A Shares and trading volume on the Shanghai 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 prices of our A Shares and trading volume on the Shanghai Stock Exchange.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Qiu Wensheng (邱文生)	No. 23 Lane 666, Jinxiu Road Pudong New District Shanghai PRC	Chinese
Mr. Cui Guopeng (崔國鵬)	No. 1996, Zhangyang Road Pudong New District Shanghai PRC	Chinese
Mr. Wu Zhenhai (吳振海)	No. 6 Lane 300, Hongfeng Road Pudong New District Shanghai PRC	Chinese
Ms. Chen Xiaorong (陳曉蓉)	No. 48 Lane 811, East Boshan Road Pudong New District Shanghai PRC	Chinese
Ms. Xi Pinghua (奚平華)	No. 889, Bibo Road Zhangjiang Town Pudong New District Shanghai PRC	Chinese
Mr. Deng Zhiguo (鄧治國)	No. 153 Lane 1458, Longming Road Minhang District Shanghai PRC	Chinese
Independent non-executive Directors		
Mr. Hu Saixiong (胡賽雄)	Block A Building 6, Xilongwan Garden No. 17 Haixiu Road Bao'an District Shenzhen, Guangdong Province PRC	Chinese

Name	Address	Nationality
Mr. Huang Zhiguo (黃治國)	Dormitory of Zhongjiashan County Industrial and Commercial Bureau Wenxing Town Xiangyin County, Hunan Province PRC	Chinese
Dr. Yu Fang (余方)	Flat A1, 26/F, Bergen Tower 3 NOVO LAND 8 Yan Po Road Tuen Mun New Territories Hong Kong	Chinese

For further details with respect to our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors, Sponsor-Overall Coordinators, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **Merrill Lynch (Asia Pacific) Limited** 55/F, Cheung Kong Center 2 Queen's Road Central Central Hong Kong
Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**Goldman Sachs (Asia) L.L.C.** 68/F, Cheung Kong Center 2 Queen's Road Central Central, Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Joint Global Coordinator, Joint Bookrunner and Capital Market Intermediary	**ABCI Capital Limited** 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Joint Lead Manager and Capital Market Intermediary	**ABCI Securities Company Limited** 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**Futu Securities International (Hong Kong) Limited** 34/F, United Centre No. 95 Queensway Admiralty Hong Kong **Tiger Brokers (HK) Global Limited** 23/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong

Legal Advisors to our Company	*As to Hong Kong law and U.S. laws* **Linklaters** 11/F, Alexandra House Chater Road Central Hong Kong *As to PRC law* **Zhong Lun Law Firm** 22-24F & 27-31F, South Tower of CP Center 20 Jin He East Avenue Chaoyang District Beijing PRC *As to U.S. export control and sanctions laws and outbound investment rule* **Pillsbury Winthrop Shaw Pittman LLP** 1200 Seventeenth Street, NW Washington, DC 20036 The United States
Legal Advisors to the Joint Sponsors and the Underwriters	*As to Hong Kong law and U.S. laws* **Latham & Watkins LLP** 18th Floor, One Exchange Square 8 Connaught Place Central Hong Kong *As to PRC law* **Beijing Deheng Law Offices** 12/F, Tower B, Focus Place 19 Finance Street Beijing PRC
Auditor and Reporting Accountant	**BDO Limited** *Certified Public Accountants and Registered Public Interest Entity Auditor* 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10/F, Block B Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC

Compliance Advisor	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong
Receiving Banks	**Bank of China (Hong Kong) Limited** 33/F, Bank of China Tower 1 Garden Road Central Hong Kong
	Standard Chartered Bank (Hong Kong) Limited 18/F Standard Chartered Tower 388 Kwun Tong Road Kwun Tong Hong Kong
	China CITIC Bank International Limited 80 Floor, International Commerce Centre 1 Austin Road West Kowloon Hong Kong

Registered office	Building 1 No. 399, Keyuan Road China (Shanghai) Pilot Free Trade Zone PRC
Headquarters and principal place of business in China	No. 699, Lvke Road Pudong New District Shanghai PRC
Principal place of business in Hong Kong	Room 1912, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.huaqin.com** *(The information contained in this website does not form part of this prospectus)*
Joint company secretaries	Ms. Li Yutao No. 699, Lvke Road Pudong New District Shanghai PRC Ms. Ng Wai Kam *a Chartered Secretary* *a Chartered Governance Professional* *an associate of the Hong Kong Chartered Governance Institute (HKCGI)* *an associate of the Chartered Governance Institute (CGI)* Room 1912, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized representatives	Mr. Qiu Wensheng No. 23 Lane 666, Jinxiu Road Pudong New District Shanghai PRC Ms. Ng Wai Kam Room 1912, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit and Risk Management Committee	Dr. Yu Fang *(Chairperson)* Mr. Huang Zhiguo Mr. Hu Saixiong

Remuneration and Appraisal Committee	Mr. Hu Saixiong *(Chairperson)* Mr. Huang Zhiguo Ms. Chen Xiaorong
Nomination Committee	Mr. Huang Zhiguo *(Chairperson)* Mr. Hu Saixiong Ms. Chen Xiaorong
Strategy and Sustainable Development Committee	Mr. Qiu Wensheng *(Chairperson)* Mr. Cui Guopeng Dr. Yu Fang
H Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Banks	Bank of China Shanghai Pudong Development Zone Sub-branch 5/F, 58 Xinjinqiao Road Pudong New District Shanghai PRC China CITIC Bank Corporation Limited Shanghai Branch CITIC Bank Building 138 Shiboguan Road Shanghai PRC

*The information and statistics set out in this section and other sections of this prospectus were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy (the "**CIC Report**"). We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the Global Offering. Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, and the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering and no representation is given as to their correctness or accuracy.*

BACKGROUND AND TRENDS IN THE DEVELOPMENT OF GLOBAL SMART PRODUCTS

Intelligent Upgrade and Cross-domain Development of Global Smart Products

Underpinned by accelerated integration and penetration of advanced technologies, various smart products are undergoing comprehensive upgrades towards improving intelligence, with broader application digitalization, and enhancing connectivity, expanding across various domains.

Comprehensive smart product upgrades are gradually achieved through continuous technological iterations during the past decades. Personal computers and smartphones were the epitomes among consumer electronics which experienced technological breakthroughs at the beginning of the 21st century, where innovations in mobile computing and touch-based interactive technologies marked the emergence of smart products. Subsequently, as mobile internet and sensor technologies continued to experience upgrades, other consumer electronic products such as smart wearables and tablets, along with AIoT products including XR products, gaming consoles, and smart home products, have emerged sequentially, constantly enriching the intelligent experiences of global consumers. With the explosive growth of AI applications, the surge in demand for computing power has driven the rapid development of digital infrastructure products such as servers and switches. With electrification and intelligence development in the mobility sector, automobiles have evolved from traditional means of transportation into smart terminals integrating various scenarios including transit, business, and entertainment. Additionally, underpinned by continuous breakthroughs in perception, decision-making, and execution capabilities, robotics have emerged rapidly with expanding use cases across industrial, household and commercial settings.

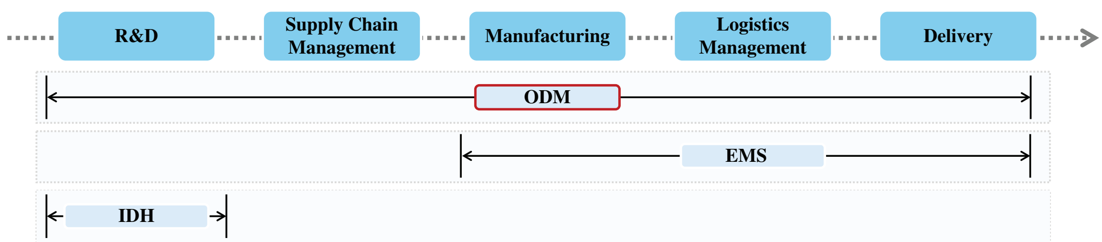
Driven by the afore-mentioned technological evolution, a rich matrix of global smart products has taken shape, spanning consumer electronics, AIoT products, digital infrastructure products, as well as innovative products in mobility and industrial equipment. Going forward, with further advancement of technologies, smart products will continue to evolve towards intelligent upgrade and cross-domain development, covering more product categories, bringing more transformative experiences to people's lives and injecting innovative momentum into societal development.

Business Models for Smart Products

With growing technical complexity and expanding categories of smart products, brand owners can hardly undertake the full-process development of multiple product categories single-handedly, leading to growing demand for professional services for smart product development. Various business models have emerged accordingly as division of work within smart product development becomes increasingly distinct. Characterized by the breadth of their service coverage, common business models for smart product development include ODM, EMS, and IDH. ODM companies offer brand owners end-to-end services encompassing product design, R&D, supply-chain management, logistics, manufacturing, and delivery.

Compared with EMS and IDH companies, the core advantage of ODM companies lies in their ability to deliver end-to-end services across the entire product lifecycle ranging from product design to manufacturing and delivery. ODM companies possess strong independent R&D and design capabilities, enabling them to quickly develop products tailored to customer requirements, as well as manufacturing capabilities at scale to ensure efficient manufacturing and delivery. These capabilities significantly help customers enhance their economic benefits, reduce their market risks, shorten product time-to-market, and strengthens their market competitiveness.

Comparison of ODM, EMS and IDH in terms of service coverage



Source: CIC

Platform Capabilities Enabling Multi-Dimensional Customer Value Creation

As market demand diversifies, product complexity heightens, and global supply chain coordination challenges intensify, traditional ODM companies have a hard time meeting customers' comprehensive requirements for efficiency, product competitiveness, and innovation. Given such, leading ODM companies are continuously expanding their platform capabilities and gradually building high entry barriers fortified by a matrix of competencies to drive multi-dimensional value creation for customers. More specifically, these values include:

- ***First mover advantage secured by enhanced market responsiveness:*** Demand for smart products is diversifying and rapidly evolving. As product lifecycles continue to shorten, brand owners need to quickly capture market opportunities with efficient product introduction. ODM platform companies, leveraging their leading operational efficiency and global delivery capabilities, can help customers significantly improve their responsiveness to market dynamics. By optimizing the overall efficiency across R&D, production scheduling, and delivery logistics, ODM companies can significantly shorten product iteration and delivery cycles, enabling customers to capture market windows through rapid product introduction, thereby allowing them to seize market share and establish competitive edges.

- ***Accelerated product iteration and cross-category R&D:*** As smart products continue to experience technological upgrade, and cross-domain integration continues to accelerate, customers need to solidify their market positions through rapid product iteration and capture growth opportunities through cross-category expansion. Leveraging their profound technical expertise and cross-category R&D experience, ODM companies can migrate and deploy their existing technological capabilities across product types. This capability significantly optimizes customers' R&D investment and helps them quickly expand product portfolios across categories. Meanwhile, leveraging their capabilities in rapid deployment of advanced technologies, ODM platform companies can shorten product iteration cycles, enabling customers to quickly respond to market dynamics.

- ***Improved manufacturing and delivery efficiency and enhanced economic benefits:*** Smart product manufacturing and delivery continue to face challenges as order volumes continue to fluctuate, delivery scenarios continue to diversify, and cost control restrictions continues to tighten. Meanwhile, customers have expectations for both efficiency and economy of manufacturing and delivery. Equipped with advanced intelligent manufacturing capabilities and global manufacturing service networks, ODM companies can meet customers' diverse needs including delivery timeliness and geographical coverage, significantly enhancing overall manufacturing and delivery efficiency. Through flexible capacity allocation and lean production models, ODM companies can adjust manufacturing capacity dynamically based on diversified customer orders, significantly improving economic benefits while ensuring product quality.

- ***Strengthened value chain collaboration and product competitiveness:*** Numerous steps involved in the smart product supply chain requires extensive global collaboration. Customers strongly demand supply chain reliability and control over core technologies to reduce risks related to supply chain fluctuations and enhance product competitiveness. ODM platform companies leverage economies of scale from centralized procurement and long-term stable supplier partnerships to help customers optimize overall procurement costs and ensure supply chain stability. Moreover, ODMs achieve independent control over core components and technologies through collaborative R&D with key component suppliers, accurately addressing customers' product and technological needs and helping them enhance overall product competitiveness.

ANALYSIS OF GLOBAL CONSUMER ELECTRONICS INDUSTRY

Definition of Consumer Electronics

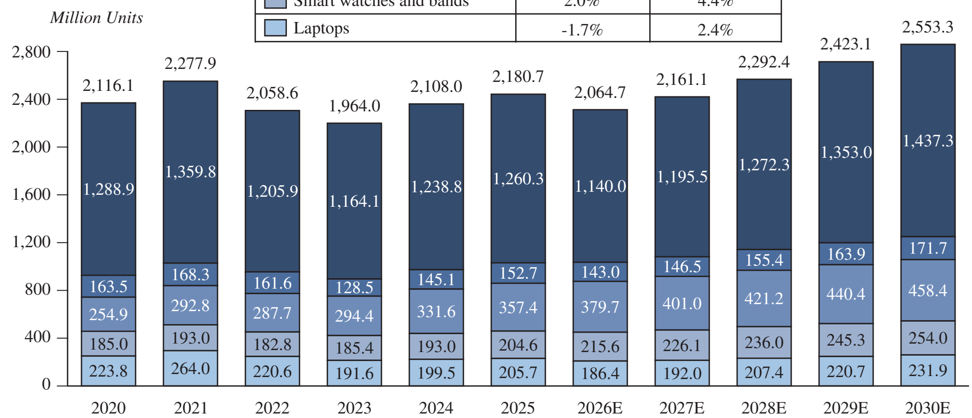
Consumer electronics refer to electronic devices used by consumers that feature data processing, network connectivity and human-machine interface functions. These include mobile terminals such as smartphones, smart wearables (TWS earphones, smart watches, smart bands), tablets and digital productivity devices such as laptops.

Market Size of Global Consumer Electronics ODM Industry

The consumer electronics industry exhibits a dual nature, combining the cyclicality of consumer goods with the growth attributes of technology products. Its short-term performance is influenced by inventory cycles and macroeconomic conditions, while long-term growth is driven by technological innovation. From 2021 to 2023, the global consumer electronics market underwent a phase of adjustment, with total shipments declining from 2,277.9 million units to 1,964.0 million units. It was primarily attributable to two factors: firstly, inventory adjustments triggered by post-pandemic supply-demand imbalances; and secondly, moderated technology innovation coupled with product homogenization, which collectively extended replacement cycles among consumers. In 2024 and 2025, global shipments of consumer electronics experienced a rebound, driven by a steady global economic recovery and normalization in inventory cycles. Starting from the fourth quarter of 2025, memory chip prices experienced an increase resulting from recent capacity constraints, which has led to rising product prices and an expected decline in shipments in smartphones, tablets, and laptops in 2026. However, as new memory chip production capacity continues to ramp, supply-demand conditions are expected to stabilize, and recovery in shipments from 2027 onwards is expected as the upward pressure on memory prices continue to ease. In the future, global shipments of consumer electronics are projected to grow to 2,553.3 million units by 2030, representing a CAGR of 3.2% from 2025 to 2030. A key driver of this anticipated growth will be the widespread integration of AI. AI is fostering the emergence of new product categories, such as AI smartphones and AI PCs, which are expected to generate new demand and unlock new growth opportunities. Furthermore, AI continues to enhance the performance and functionality of existing products, enabling features such as intelligent personal assistants and advanced real-time translation. These advancements help stimulate replacement demand, thereby accelerating product iteration cycles across the entire consumer electronics sector. It is an industry norm in the consumer electronics industry to use shipments rather than revenue as the statistical metric for measuring market size, as it directly reflects the scale of product sales and remains unaffected by factors such as product price fluctuations or promotional strategies.

Global Shipments of Consumer Electronics, by Product, 2020-2030E

CAGR		
	2020-2025	**2025-2030E**
Global Consumer Electronics	**0.6%**	**3.2%**
Smartphones	-0.4%	2.7%
Tablets	-1.4%	2.4%
TWS earphones	7.0%	5.1%
Smart watches and bands	2.0%	4.4%
Laptops	-1.7%	2.4%



Source: Interviews with industry experts, Industry publications, CIC

Leveraging technological expertise, advanced manufacturing capabilities, and supply chain management at scale, the ODM model has become a core business model in the global consumer electronics industry. The global ODM shipments of consumer electronics grew from 843.9 million units in 2020 to 1,053.4 million units in 2025 with a CAGR of 4.5%. Amid intensifying market competition and shortening product iteration cycles, ODM companies enable brand owners to achieve more efficient product iteration and greater economic benefits, driving further increases in ODM penetration. The global consumer electronics ODM penetration rate, which refers to total global shipments by ODM companies as a percentage of the total global shipments, is projected to increase from 48.3% in 2025 to 58.3% in 2030. The global ODM shipments of consumer electronics are projected to reach 1,488.8 million units by 2030 with a CAGR of 7.2%, surpassing that of global shipments of consumer electronics.

Mobile Terminals

- ***Smartphones:*** Smartphone demand is expected to grow over the long term driven by ongoing replacement cycles and AI-enabled upgrades, despite a temporary decline in shipments in 2026 due to memory price fluctuations. The global shipments of smartphones are expected to grow from 1,260.3 million units in 2025 to 1,437.3 million units in 2030, representing a CAGR of 2.7%. ODM companies are expanding their coverage across smartphone models by brand owners, driving an increase in ODM penetration in global smartphones market from 44.8% in 2025 to 55.0% by 2030.

- ***Tablets:*** Continued adoption in education and enterprise environments, together with product innovation and an improving product mix, is expected to support the development of the tablet market, although memory price volatility may result in short-term shipment fluctuations. The global shipments of tablets are expected to grow from 152.7 million units in 2025 to 171.7 million units in 2030, representing a CAGR of 2.4%. As part of their resource allocation strategy, brand owners are increasingly inclined to leverage ODM companies to undertake R&D and supply chain management for tablets. As a result, ODM penetration in global tablets market is projected to increase from 49.2% in 2025 to 54.0% by 2030.

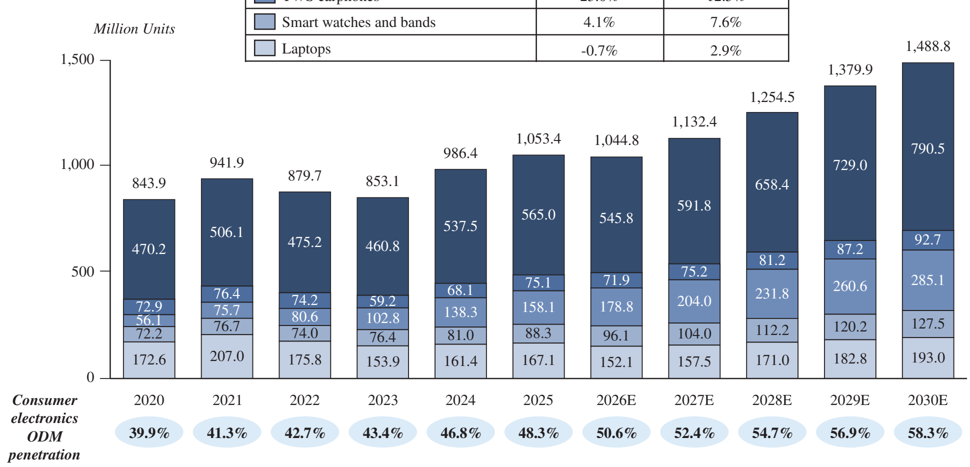
- ***Smart wearables:*** Smart wearables market is expected to record sustained growth, driven by brand ecosystems, rising health awareness, and growing AI adoption. The global shipments of TWS earphones are projected to grow from 357.4 million units in 2025 to 458.4 million units by 2030, representing a CAGR of 5.1%. The global shipments of smart watches and bands are expected to grow from 204.6 million units in 2025 to 254.0 million units in 2030, representing a CAGR of 4.4%. Leveraging their R&D experience across various consumer electronics categories and profound technology expertise, ODM companies can precisely address market demand for health monitoring functions and cross-device synergy, driving increase in ODM penetration in TWS earphones from 44.2% in 2025 to 62.2% by 2030, and increase in ODM penetration in smart watches and bands from 43.2% to 50.2% during the same period.

Digital Productivity Devices

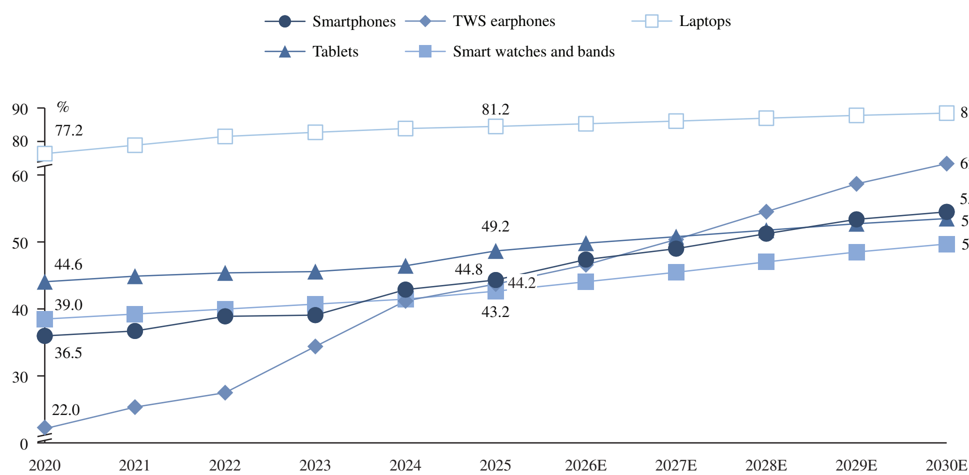
- ***Laptops:*** The laptop market continues to benefit from accelerating digital transformation and growing demand for portable, high-performance productivity devices among both enterprises and individual users, partially offset by short-term impact in shipments by rising memory chip costs. AI PCs, featuring smart interaction and enhanced processing efficiency, are expected to become a key growth driver, with penetration rate projected to rise from 31.0%% in 2025 to 83.5% in 2030. The global shipments of laptops are anticipated to grow from 205.7 million units in 2025 to 231.9 million units in 2030, representing a CAGR of 2.4%. Leveraging their expertise in computing architecture design, ODM companies can rapidly respond to AI-related device upgrade demands, leading to sustained high ODM penetration in global laptops market, which is expected to rise from 81.2% in 2025 to 83.2% in 2030.

Global ODM Shipments of Consumer Electronics, by Product, 2020-2030E

CAGR		
	2020-2025	**2025-2030E**
Global Consumer Electronics ODM	**4.5%**	**7.2%**
Smartphones	3.7%	6.9%
Tablets	0.6%	4.3%
TWS earphones	23.0%	12.5%
Smart watches and bands	4.1%	7.6%
Laptops	-0.7%	2.9%



Global ODM Penetration Rate of Consumer Electronics, by Product, 2020-2030E



Source: Interviews with industry experts, Industry publications, CIC

Growth Drivers and Trends of Global Consumer Electronics ODM Industry

- ***Technological innovation in consumer electronics:*** Continuous advancements in technologies provide a technical foundation for product upgrades and category expansion, enabling ODM companies to expand their businesses. Leading ODM companies are also proactively investing in R&D to develop technologies and design capabilities compatible with multiple architectures, which allows them to establish first-mover advantages by introducing diversified products with elevated performance.

- ***Strong demand for product competitiveness by brand owners:*** Amidst intensifying market competition, brand owners increasingly focused on boosting product competitiveness. Leading ODM companies can provide high-quality product development support and facilitate rapid product iteration leveraging their ability to migrate and cross-utilize existing R&D capabilities and their robust manufacturing capabilities. Furthermore, ODM companies enable brand owners to achieve greater economic benefits through supply chain management and manufacturing process optimization, which creates an advantage for ODM model, thereby boosting order growth and expanding overall market size.

- ***Increasing industry consolidation by leading ODM companies:*** The global consumer electronics ODM industry is highly competitive, and brand owners' selection criteria for ODM companies have become increasingly stringent. Leading ODM companies with large-scale production capabilities, profound technical expertise, efficient supply chain management, as well as rapid and flexible delivery capabilities continue to demonstrate prominent competitive advantages. As a result, the industry is expected to further consolidate in the future.

- ***Deepening collaboration across the value chain:*** Leading ODM companies are proactively forging a highly flexible and closely connected collaborative ecosystem to achieve optimal resource utilization across the value chain. Such collaboration mitigates raw material and inventory risks, ensures supply chain stability, shortens product development cycles, and serves as a key driver for the development of the consumer electronics ODM industry.

- ***Growing industry-wide emphasis on green energy efficiency and sustainability:*** Urged by increasingly stringent energy efficiency standards for various products, brand owners are proactively developing eco-friendly product lines and ODM companies are deeply engaged in the implementation of environmentally friendly solutions. Furthermore, a growing consumer preference for sustainable products encourages both brand owners and ODM companies to collaboratively explore methods to extend product lifetime and increase the usage of recycled resources.

- ***Increasing preference toward ODM companies with cross-category and global operational capabilities by brand owners:*** As the global consumer electronics market undergoes continuous expansion and upgrade, brand owners' requirements for ODM companies are increasingly focused on the ability to provide comprehensive solutions with cross-category and global operational capabilities. ODM companies with global operational capabilities are favored by brand owners, as they offer brand owners with resources and market opportunities across different regions, and provide localized service support to ensure supply stability and timeliness.

Competitive Landscape of Global Consumer Electronics ODM Industry

The Group ranked as the largest consumer electronics ODM company globally in terms of global ODM shipments of consumer electronics in 2024, with a market share of 22.5%. It is an industry norm in the consumer electronics ODM industry to use shipments rather than revenue as the statistical metric for measuring ranking and market share.

Ranking of global consumer electronics ODM companies, in terms of ODM shipments of consumer electronics, 2024

Ranking	ODM companies	Market share (%)[1]
1	**The Group**	**22.5%**
2	Company A[2]	22.0%
3	Company B[3]	11.5%
	Sub-total	**56.0%**

Notes:

(1) The market share is calculated by dividing a company's global ODM shipments of consumer electronics by the global ODM shipments of consumer electronics.

(2) Company A is a listed company founded in 2002 and headquartered in Shanghai, China. It is primarily engaged in providing ODM of consumer electronics, including smartphones, tablets, and smart wearables.

(3) Company B is a listed company founded in 2006 and headquartered in Zhejiang Province, China. It was primarily engaged in semiconductor business and ODM of consumer electronics such as smartphones and tablets until 2024.

Source: Interviews with industry experts, Public filings of listed companies, CIC

The Group ranked as the second largest smartphone ODM company globally in terms of global ODM shipments of smartphones in 2024, with a market share of 25.9%. From 2020 to 2024, the cumulative global ODM shipments of smartphones reached 2,449.7 million units. During the same period, the Group ranked as the largest smartphone ODM company globally in terms of cumulative global ODM shipments of smartphones, with a cumulative market share of 25.2%.

Ranking of global smartphone ODM companies, in terms of ODM shipments of smartphones, 2024

Ranking	ODM companies	Market share[1] (%)
1	Company A	32.2%
2	**The Group**	**25.9%**
3	Company B	14.5%
	Sub-total	**72.6%**

Notes:

(1) The market share is calculated by dividing a company's global ODM shipments of smartphones by the global ODM shipments of smartphones.

Source: Interviews with industry experts, Public filings of listed companies, CIC

The Group ranked as the largest tablet ODM company globally in terms of global ODM shipments of tablet in 2024, with a market share of 37.9%. Additionally, the Group ranked first globally in terms of cumulative global ODM shipments of tablets over the five-year period from 2020 to 2024. Furthermore, it ranked first globally in terms of annual global ODM shipments of tablets for four consecutive years from 2021 to 2024.

Ranking of global tablet ODM companies, in terms of ODM shipments of tablets, 2024

Ranking	ODM companies	Market share (%)(1)
1	**The Group**	**37.9%**
2	Company B	24.1%
3	Company A	18.1%
	Sub-total	**80.0%**

Source: Interviews with industry experts, Public filings of listed companies, CIC

Notes:

(1) The market share is calculated by dividing a company's global ODM shipments of tablets by global ODM shipments of tablets.

The Group ranked as the largest smart wearable ODM company globally in terms of global ODM shipments of smart wearables in 2024, with a market share of 18.7%.

Ranking of global smart wearables ODM companies, in terms of ODM shipments of smart wearables, 2024

Ranking	ODM companies	Market share (%)(1)
1	**The Group**	**18.7%**
2	Company C(2)	18.4%
3	Company A	14.5%
	Sub-total	**51.6%**

Notes:

(1) The market share is calculated by dividing a company's global ODM shipments of smart wearables by the global ODM shipments of smart wearables.

(2) Company C is a listed company founded in 2001 and headquartered in Shandong Province, China. It specializes in the design and manufacturing of precision components, intelligent acoustic systems and ODM of smart hardware, such as VR/AR devices and smart wearables.

Source: Interviews with industry experts, Public filings of listed companies, CIC

The Group ranked fourth globally and first in Chinese Mainland among laptop ODM companies in terms of global ODM shipments of laptops in 2024, with a market share of 9.6%. Additionally, among the global top five laptop ODM companies, the Group achieved the highest CAGR from 2022 to 2024 in terms of global ODM shipments of laptops.

Ranking of global laptop ODM companies, in terms of ODM shipments of laptops, 2024

Ranking	ODM companies	Market share (%)[1]
1	Company D[2]	28.4%
2	Company E[3]	20.0%
3	Company F[4]	10.9%
4	**The Group**	**9.6%**
5	Company G[5]	8.4%
	Sub-total	**77.3%**

Notes:

(1) The market share is calculated by dividing a company's global ODM shipments of laptops by the global ODM shipments of laptops.

(2) Company D is a listed company founded in 1988 and headquartered in Taiwan, China. It is primarily engaged in the ODM of personal computers, tablets and digital infrastructure products.

(3) Company E is a listed company founded in 1984 and headquartered in Taiwan, China. It is primarily engaged in the ODM of personal computers, smart wearables, tablets and digital infrastructure products.

(4) Company F is a listed company founded in 2001 and headquartered in Taiwan, China. It is primarily engaged in the ODM of personal computers and digital infrastructure products.

(5) Company G is a listed company founded in 1975 and headquartered in Taiwan, China. It is primarily engaged in the ODM of personal computers, smart wearables and digital infrastructure products.

Source: Interviews with industry experts, Public filings of listed companies, Industry publications, CIC

Entry Barriers of Consumer Electronics ODM Industry

- ***Technology and R&D:*** Consumer electronics ODM companies are required to maintain robust, end-to-end R&D capabilities and should possess proven expertise in materializing conceptual design of complex precision systems and realizing mass production. Building such capabilities presents formidable challenges, such as high technical barriers, the need to attract and manage specialized talent, and substantial capital commitments. These barriers make it difficult for new entrants to replicate these advantages within a short timeframe.

- ***Operational efficiency and supply chain management:*** Leading ODM companies leverage their proprietary digital management systems to achieve intelligent, end-to-end value chain management. Concurrently, they establish global supply chain networks while they implement tiered supplier management, deepen supply chain collaboration, and pursue vertical integration of core components to establish complementary value chain advantages enhancing efficiency across the entire process from raw material procurement to delivery. New entrants would face difficulty to replicate similar level of digitalization and supply chain integration in the short term, thus creating high entry barriers.

- ***Advanced manufacturing:*** Leading ODM companies meet these demands by constructing smart manufacturing systems built upon capabilities across automation, digitalization, lean management, and green production, enabling efficient operation and effective control throughout the entire manufacturing process. Such capabilities requires on long-term R&D investment, substantial capital for production line renovation, and profound manufacturing experience. New entrants face high initial investment costs and struggle to quickly master the required proprietary process know-how and quality control methodologies, leading to a difficult barrier to overcome.

- ***Global manufacturing capacity and supply chain presence:*** Leading ODM companies address this challenge by establishing global manufacturing networks to offer localized delivery at scale to customers worldwide. In addition, they establish a global supply chain system that correspondingly enables allocation of materials across various regions to address geopolitical and logistical disruption risks dynamically. This type of globalized manufacturing and supply chain footprint requires substantial capital investment, extensive global resource integration capabilities, and localized operational expertise, thereby setting a high entry barrier for new market entrants.

- ***Talent cultivation:*** The consumer electronics ODM industry imposes exceptionally high standards on talents in terms of both overall professional proficiency and expertise in specialized areas. Building teams with versatile talent typically requires long-term systematic training and extended real-life practices. New entrants usually are not able to build an experienced team that meets industry requirements within a short timeframe, thereby exacerbating the high entry barriers.

ANALYSIS OF GLOBAL AND CHINA'S DIGITAL INFRASTRUCTURE INDUSTRY

Definition of Digital Infrastructure

Digital infrastructure serves as the foundation for digital operations and services across various industries. It provides essential physical support for digital information processing across data generation, analysis, transmission and storage. It primarily includes core computing and network equipment in data centers, such as servers and switches.

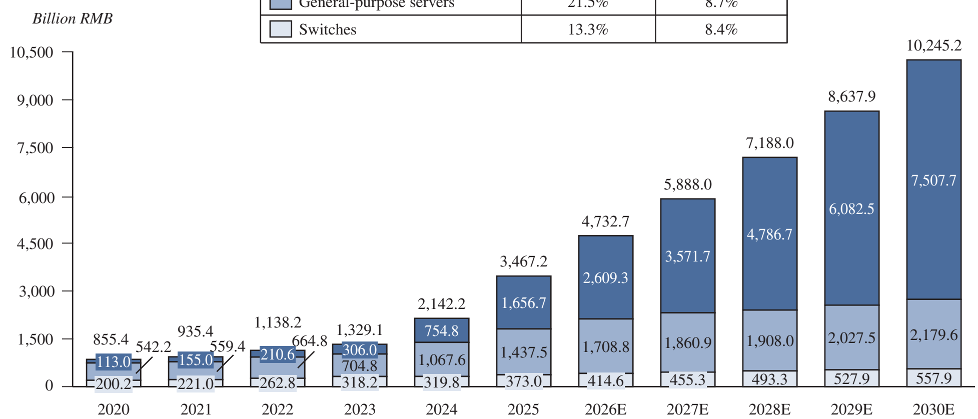
Market Size of Global and China's Digital Infrastructure Industry

Digital infrastructure products, as the core equipment for data communication, have seen rapidly growing demand. In terms of revenue, the market size of global digital infrastructure industry surged from RMB855.4 billion in 2020 to RMB3,467.2 billion in 2025 at a CAGR of 32.3%, and is expected to further grow to RMB10,245.2 billion by 2030 at a CAGR of 24.2%.

With the accelerated adoption of AI technology across downstream industries, AI servers have experienced the most robust growth among all types of global digital infrastructure products. In terms of revenue, the market size of global AI servers surged from RMB113.0 billion in 2020 to RMB1,656.7 billion in 2025, and is expected to reach RMB7,507.7 billion by 2030, growing at a CAGR of 35.3%.

Market Size of Global Digital Infrastructure Industry, by Product, in terms of Revenue, 2020-2030E

CAGR		
	2020-2025	**2025-2030E**
Global digital infrastructure	**32.3%**	**24.2%**
AI servers	71.1%	35.3%
General-purpose servers	21.5%	8.7%
Switches	13.3%	8.4%

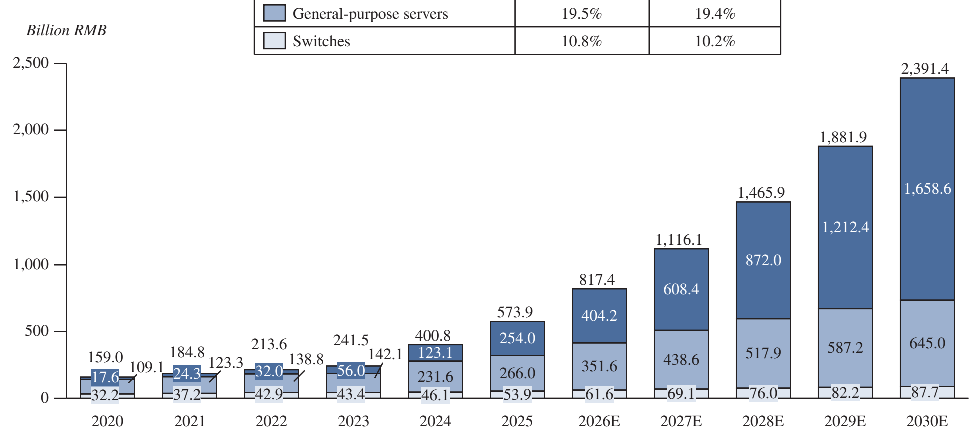


Source: Interviews with industry experts, Industry publications, CIC

China has become a critical market with rapid growth. In terms of revenue, the market size of China's digital infrastructure industry increased from RMB159.0 billion in 2020 to RMB573.9 billion in 2025, representing a CAGR of 29.3%. Looking ahead, China market will continue to expand and play a more important role globally, driven by the accelerated deployment of large model applications, strong downstream demand, and supportive government policies. The market size of China's digital infrastructure industry is projected to reach RMB2,391.4 billion in 2030 with a CAGR of 33.0% from 2025 to 2030. China's AI server market has similarly demonstrated robust growth, outpacing growth of the overall China market. In terms of revenue, the market size of China's AI servers increased from RMB17.6 billion in 2020 to RMB254.0 billion in 2025, and is projected to further climb to RMB1,658.6 billion by 2030, representing a CAGR of 45.5%.

Market Size of China's Digital Infrastructure Industry, by Product, in terms of Revenue, 2020-2030E

CAGR		
	2020-2025	**2025-2030E**
China's digital infrastructure	**29.3%**	**33.0%**
AI servers	70.6%	45.5%
General-purpose servers	19.5%	19.4%
Switches	10.8%	10.2%



Source: Interviews with industry experts, Industry publications, CIC

Growth Drivers and Trends of Global and China's Digital Infrastructure Industry

- ***Growing demand for computing driven by digital transformation and AI:*** AI development has resulted in the emergence of various and enormous complex computational tasks, leading to fast-growing demand for servers and switches. This trend has significantly boosted order volume for digital infrastructure providers.

- ***Technological innovation and upgrades:*** Server and switch technologies are evolving rapidly, and AI applications are placing higher performance demands on them. As a result, digital infrastructure providers must continuously invest in R&D to meet technical standards and AI requirements, driving innovation and creating new business opportunities.

- ***Rising demand for customization:*** As core customers increasingly value data processing efficiency and cost optimization, the demand for customized products has grown significantly. Driven by customization demand, digital infrastructure providers with extensive experience in product design, large-scale manufacturing, and supply chain management are better positioned to address customer demand more precisely, enhancing their market position in the digital infrastructure industry.

- ***Growing demand for full-stack solutions:*** Customers increasingly seek vendors with full-stack product portfolios, in order to mitigate technological risks and operational inefficiencies associated with integrating products from different providers, as well as to improve delivery efficiency and system stability. Providers with end-to-end capabilities in product R&D, manufacturing, and delivery will gain distinct competitive advantages by precisely addressing market demand.

Competitive Landscape of China's Digital Infrastructure Industry

In terms of revenue from digital infrastructure business in China in 2024, the Group ranked sixth among all providers in China, with a market share of 5.0%. Furthermore, among the top six providers, the Group achieved the highest growth in terms of revenue CAGR from digital infrastructure business in China from 2022 to 2024.

Ranking of digital infrastructure providers, in terms of revenue of digital infrastructure business in China, 2024

Ranking	Digital infrastructure providers	Market share (%)[1]
1	Company H[2]	20.0%
2	Company I[3]	12.5%
3	Company J[4]	10.5%
4	Company K[5]	8.0%
5	Company L[6]	6.2%
6	**The Group**	**5.0%**
	Sub-Total	**62.2%**

Notes:

(1) The market share is calculated by dividing a provider's revenue of digital infrastructure business in China by the market size of China's digital infrastructure industry.

(2) Company H is a listed company headquartered in China. It is primarily engaged in the R&D and manufacturing of digital infrastructure products, including servers, storage systems and network devices.

(3) Company I is a non-listed company headquartered in China. It is primarily engaged in the R&D and manufacturing of digital infrastructure products and consumer electronics, including servers, switches and smartphones.

(4) Company J is a non-listed company headquartered in China. It is primarily engaged in the R&D and manufacturing of digital infrastructure products, including servers, switches and storage systems.

(5) Company K is a non-listed company headquartered in China. It is primarily engaged in the R&D and manufacturing of digital infrastructure products, including servers, storage systems and AI computing platforms.

(6) Company L is a listed company headquartered in China. It is primarily engaged in the R&D and manufacturing of digital infrastructure products and consumer electronics, including servers and personal computers.

Source: Interviews with industry experts, Public filings of listed companies, Industry publications, CIC

Entry Barriers of Global and China's Digital Infrastructure Industry

- ***Technological and R&D:*** Development of Digital infrastructure products requires high levels of technological expertise in hardware design, software development, and system integration. New entrants must commit to long-term R&D and accumulate industry expertise to meet customers' demand for performant and reliable products. Furthermore, as AI and big data technologies continue to advance, vendors must continuously invest in R&D to maintain technological superiority, thereby establishing significant technological entry barriers for new entrants.

- ***Product customization:*** Customers often demand highly customized hardware configurations, thermal solutions, management interfaces, and software protocol stacks to address unique business needs. Leading providers are able to rapidly deliver customized solutions leveraging modular hardware platform and software libraries accumulated over the years. New entrants, lacking joint development experience with customers, must start from scratch in hardware design, software adaptation, and small-batch trial production. This results in longer delivery cycles and higher costs, making it difficult to meet customer demand for customization and rapid delivery.

- ***Customer resource:*** In the digital infrastructure industry, customers increasingly value product stability and security, leading them to favor long-term partnerships with existing providers. New entrants must dedicate significant time and efforts to gaining customer trust and overcoming high switching costs, which makes it significantly difficult to enter the market. In addition, leading providers typically serve a diverse customer base. This broad customer coverage enables them to accumulate experience in large-scale delivery and operations for multiple types of customers, further raising the customer acquisition threshold for new entrants.

- ***Supply chain management and control:*** In the digital infrastructure industry, the supply of core materials such as high-end chips is relatively concentrated, and manufacturing capacity is often locked in by key customers in advance. Digital infrastructure providers with stable sourcing capabilities often sign long-term agreements with suppliers and lock in manufacturing capacity through various long-term cooperation mechanisms. By contrast, new entrants often rely solely on the open market or distributors to source core materials, which exposes them to supply chain risks.

ANALYSIS OF GLOBAL AUTOMOTIVE ELECTRONICS INDUSTRY

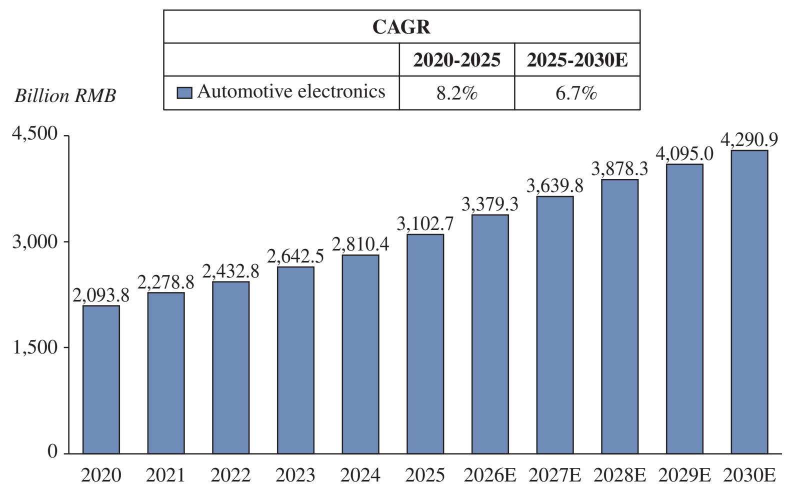
Definition of Automotive Electronics

Automotive electronics are a critical part of automotive intelligence, encompassing a wide range of electronic systems, hardware components, and associated software modules that support the application of advanced technologies such as smart cockpits and intelligent assistance driving. As an innovative and rapidly evolving field, automotive electronics industry is driven by the ongoing intelligentization of vehicles and technological innovation, with considerable potential for continued growth.

Market Size of Global Automotive Electronics Industry

Technology advancements and rising consumer demand for intelligent assistance driving has propelled the development of smart vehicles, thereby driving the demand for automotive electronics. In terms of revenue, the market size of global automotive electronics industry grew from RMB2,093.8 billion in 2020 to RMB3,102.7 billion in 2025, representing a CAGR of 8.2%. Looking forward, driven by the accelerated evolution of automotive intelligence and E/E architecture upgrades, the market size of global automotive electronics industry in terms of revenue is expected to reach RMB4,290.9 billion in 2030, representing a CAGR of 6.7%.

Market Size of Global Automotive Electronics Industry(1), in terms of Revenue, 2020-2030E



Notes:

(1) The market size of the automotive electronics industry includes the market size of software and hardware related to intelligent driving systems, cockpit systems, chassis and safety control systems, body electronics, and power control systems.

Source: Interviews with industry experts, Industry publications, OICA, CIC

Growth Drivers and Trends of Global Automotive Electronics Industry

- ***Accelerated transformation toward smart vehicles:*** As the automotive industry rapidly evolves toward elevated intelligence, consumer demand for intelligent functionalities is growing significantly. Leveraging strong capabilities in technological innovation and system integration, automotive electronics providers are well-positioned to quickly integrate these intelligent features into products, thereby satisfying the needs of automakers and consumers, and driving the growth of the automotive electronics industry.

- ***Growing importance in automotive electronics providers driven by increasingly concentrated E/E architecture:*** The E/E architecture is advancing from distributed architectures to domain-centric architectures, transforming providers from component suppliers to system-level solution providers. For providers equipped with technological R&D and platform integration capabilities, this architectural shift better positions them to seize opportunities in more comprehensive and systematic automotive electronics projects.

- ***Popularization of software-defined vehicles leading to suppliers' penetration into software ecosystems:*** Vehicles are increasingly defined by software. With over-the-air (OTA) software upgrades, vehicle functions and services can be continuously optimized. Given such, automotive electronics providers are strengthening their software development and system architecture design capabilities in order to meet higher functionality and safety requirements, and thereby penetrating into the software ecosystem and expanding across the value chain.

ANALYSIS OF GLOBAL AIoT INDUSTRY

Definition of AIoT

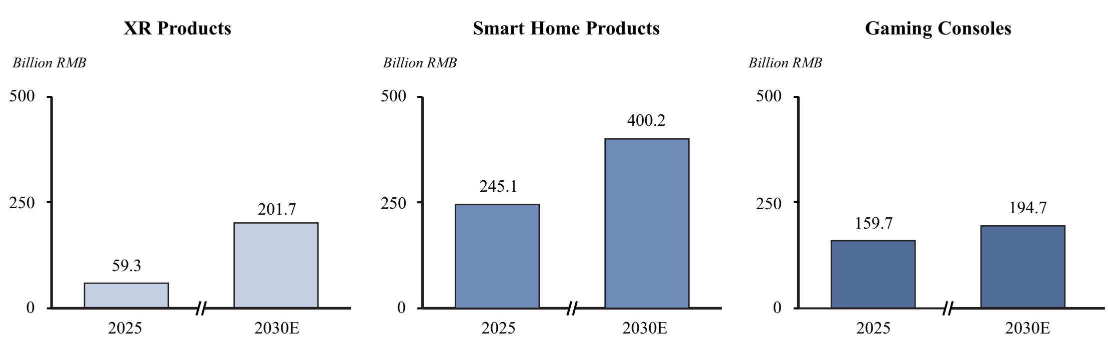
AIoT refers to the integration of AI and IoT technologies, to enable more efficient device operations, better human-machine interface, and enhanced data management and analytics. Applications of AIoT are very broad and impactful, with devices spanning across both consumer and industrial use cases, including XR, smart home, gaming consoles, smart communities, smart transportation, smart retail, and smart energy.

Market Size of Global AIoT Industry

With rapid technological advancements and increasingly diverse consumer demand worldwide, AIoT products continue to diversify and cover a growing range of use cases, fueling the strong growth potential of AIoT industry. In terms of revenue, the market size of global AIoT industry is projected to grow from RMB3,350.3 billion in 2025 to RMB4,516.8 billion by 2030, representing a CAGR of 6.2%. Within the AIoT industry, XR products, smart home products, and gaming consoles are three prominent markets. In particular, the XR industry is expected to expand rapidly. Driven by performance improvements, enhanced cost-effectiveness, and rising demand for immersive experiences, its market size is projected to increase from RMB59.3 billion in 2025 to RMB201.7 billion by 2030, at a CAGR of 27.7%. The global market sizes of XR products, smart home products, and gaming consoles are as follows:

Market Size of Global XR Products[(1)], Smart Home Products[(2)] and Gaming Consoles[(3)] industry, 2025 & 2030E

CAGR	
	2025-2030E
Global XR products	27.7%
Global smart home products	10.3%
Global gaming consoles	4.0%



Notes:

(1) The market size of XR products industry include the market size of XR smart glasses and XR head mounted displays.

(2) The market size of smart home products industry include the market size of smart security devices (such as smart locks and smart cameras), smart lighting, smart speakers, smart temperature control devices, and other smart home devices (including smart photo frames, smart switches, and sockets). The market size exclude large appliances such as TVs and refrigerators.

(3) The market size of gaming consoles industry include the market size of home consoles and gaming handhelds.

Source: Interview with industry experts, Industry publications, CIC

Growth Drivers and Trends of Global AIoT Industry

- ***XR — Demand upgrade, technological advancement and participation by consumer electronics providers propel market growth:*** Consumer demand for immersive experiences in scenarios such as entertainment, education, and social interaction continues to grow. In addition, breakthroughs in cutting-edge technologies such as AI are enhancing the interactive experience and content delivery of XR products, thereby addressing consumer needs and driving industry growth. Furthermore, leading consumer electronics providers are accelerating XR development through sustained R&D and ecosystem expansion, fostering hardware innovation, enriching content, and broadening use cases, ultimately transforming XR devices from professional tools into mass-market products. This rapid market expansion is translating into significant commercial opportunities for ODM companies with solid technical foundations and scalable production capabilities. The Group has built end-to-end R&D, operational and manufacturing capabilities covering core technologies including optics, acoustics, thermal dissipation and system optimization, and achieved mass production of XR products while establishing stable partnerships with leading global clients, validating the robustness of its technology platform and manufacturing capabilities. As a leading ODM company with such strengths, the Group is well positioned to translate robust market demand into firm orders, expand its market share through economies of scale, and drive sustained business growth.

- ***Smart home — Growth driven by device interconnection, personalized customization, and participation by consumer electronics providers:*** The global smart device ecosystem is becoming increasingly interconnected, driving demand for collaboration among smart office, entertainment, and smart home devices. In addition, consumers' rising preference for personalized living spaces is catalyzing customization upgrades in smart home devices, creating new opportunities for the industry. Furthermore, consumer electronics providers are leveraging brand loyalty and insights into user preferences to continuously enhance product functionality while expanding ecosystems to strengthen device interconnection and improve user experience.

- ***Gaming consoles — Technological and content upgrades combined with device miniaturization continue to fuel industry growth:*** The implementation of advanced technologies such as AI and ongoing hardware innovations support performance upgrades and product iteration in gaming consoles. Meanwhile, a richer content ecosystem is raising performance requirements, driving device upgrades and market expansion. In addition, compact design and enhanced portability better suit the fast-paced lifestyles of modern consumers, helping broaden the user base and expand usage scenarios.

ANALYSIS OF GLOBAL ROBOTICS INDUSTRY

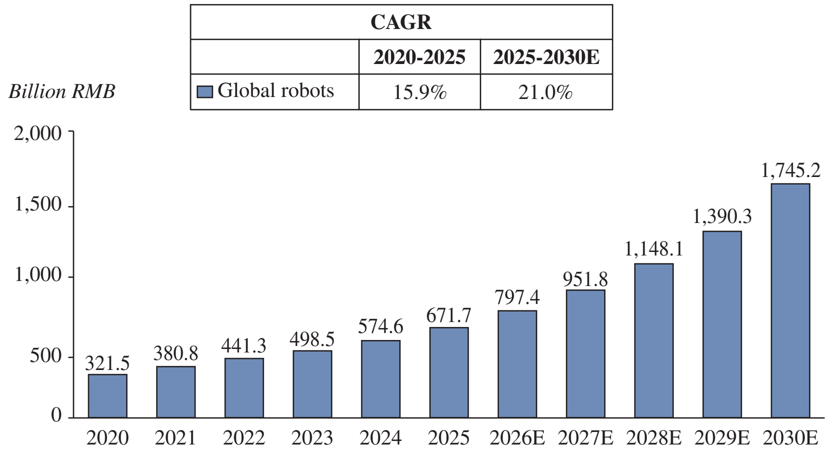
Definition of Robotics

Robotics are machines capable of semi-autonomous or fully autonomous operations, with abilities to perceive, decide and execute tasks. They mainly include industrial robots, service robots, consumer-grade robots, humanoids and others. This sector is widely recognized as an innovative field, driven by continuous advancements in both hardware and software technologies, and offers substantial growth potential as robotics adoption accelerates across industrial and commercial applications.

Market Size of Global Robotics Industry

As robots improve in functionality, human-machine interface and safety, they have become more flexible and adaptable, able to perform a wider range of tasks. Meanwhile, AI technology advancements have significantly enhanced their autonomous learning and operational capabilities, enabling them to handle more complex work. In terms of revenue, the market size of global robotics industry, has grown from RMB321.5 billion in 2020 to RMB671.7 billion in 2025, and is projected to reach RMB1,745.2 billion by 2030 with a CAGR of 21.0%.

Market Size of Global Robotics Industry[(1)], in terms of Revenue, 2020-2030E



Notes:

(1) The market size of the robotics industry refers to the market size of various types of robot bodies and excludes the market size of software other than the robot body.

Source: Interview with industry experts, Industry publications, IFR, CIC

Growth Drivers and Trends of Global Robotics Industry

- ***Expanding use cases and growing demand:*** With the development of technology and the diverse demand upgrades, the use cases for robots are continuously expanding. In the commercial sector, robots are penetrating into various professional service use cases such as hotel reception, food delivery, commercial cleaning, and security inspections. In the industrial sector, robots are widely used in scenarios like automotive manufacturing, electronics assembly, and logistics warehousing.

- ***Hardware and software technological breakthroughs:*** Advances in sensing technologies such as LiDAR have improved robots' high-resolution environmental perception and feedback. At the same time, enhanced control systems and driving modules have increased motion precision and stability. Continued software development has strengthened robots' ability to process multi-modal information, enabling better adaptability to dynamic environments and more complex tasks.

RAW MATERIAL OF GLOBAL SMART PRODUCTS

The Producer Price Index (PPI) of China's electronic components manufacturing industry measures changes in the ex-factory prices of key raw materials used in smart product manufacturing, such as integrated circuits and printed circuit boards. It serves as an important indicator of raw material price trends for smart products and, given China's role in the global supply chain, also reflects cost fluctuations in the global smart product market to some extent. The index rose between 2020 and 2021, mainly due to supply chain disruptions and raw material shortages caused by the COVID-19 pandemic. As global supply chains gradually stabilized, the index declined from 2022 and remained relatively stable as supply and demand conditions improved.

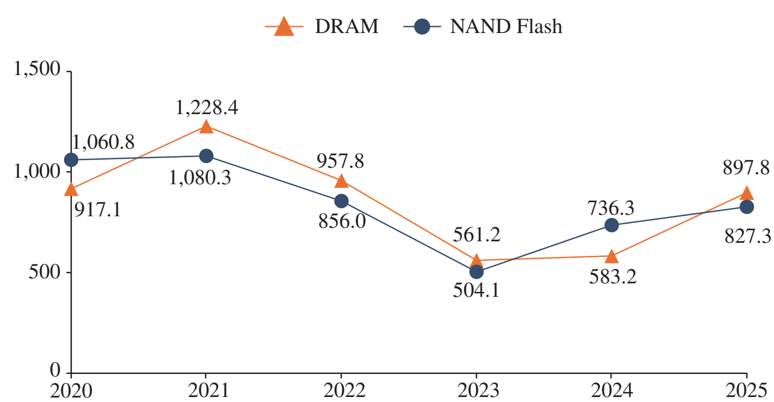
China's Producer Price Index for the Electronic Component Manufacturing Industry, 2020-2025

Source: National Bureau of Statistics, CIC

Raw Material of Global Consumer Electronics

The memory chip, serving as a core component in consumer electronics for data storage and retrieval, has experienced price fluctuations in recent years, primarily driven by supply-demand dynamics and shifts in downstream applications. Currently, the market is dominated by two main technology types: DRAM (Dynamic Random-Access Memory) and NAND Flash. In 2021, the global average prices of memory chips rose due to supply chain disruptions caused by the pandemic. Subsequently, from 2022 through late 2023, the market experienced a continuous price decline, driven by weak demand in the consumer electronics market, coupled with the release of new production capacity that led to oversupply. However, a rebound commenced in 2024 and remained persistent into 2025, primarily fueled by new demand emanating from AI applications, which significantly increased the need for high-performance memory chips.

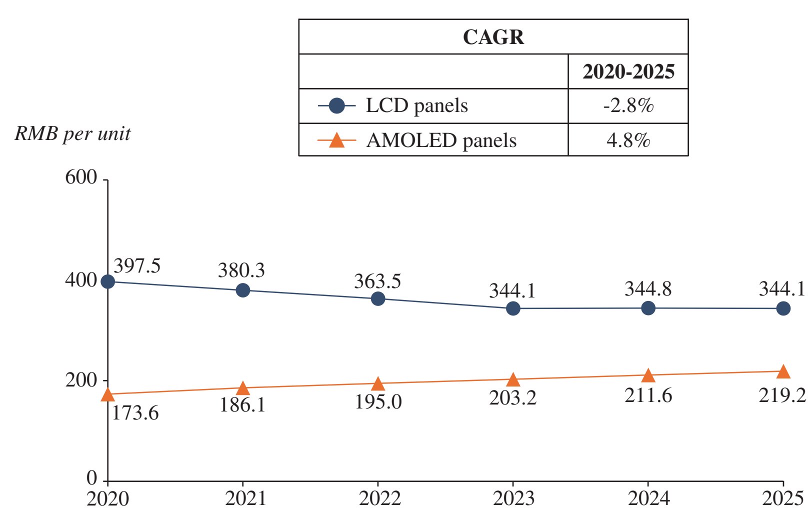
Global Price Index of Memory Chips, 2020-2025



Source: Industry publications, CIC

The display panel is a core component in consumer electronics used to present visual content and enable information interaction. Currently, it mainly consists of two major technical routes: Liquid Crystal Display (LCD) and Active-Matrix Organic Light-Emitting Diode (AMOLED). Driven by concentrated industry investment and large-scale production that reduced costs, the global average price of AMOLED panels has shown a gradual downward trend in recent years. Meanwhile, the global LCD panel market has maintained a dynamic supply-demand balance. Growing demand for large-size and advanced-functionality panels has supported a moderate increase in the average price of LCD panels.

Global Average Price Changes of Display Panels for Consumer Electronics, 2020-2025

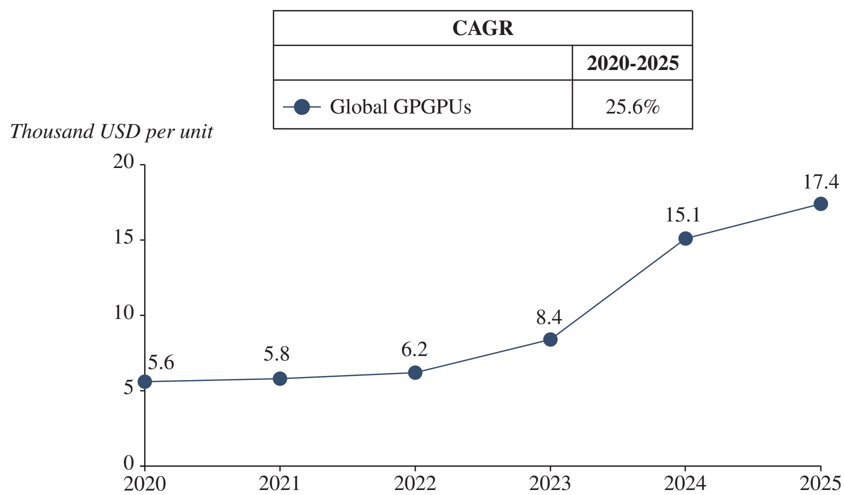


Source: Interviews with industry experts, Industry publications, CIC

Raw Material of Global Digital Infrastructure

The General-Purpose Graphics Processing Unit (GPGPU) is an intelligent computing chip used for high-performance computing and AI training and inference. It is one of the key raw materials for digital infrastructure, directly determining their computational performance and efficiency. In recent years, with the rapid penetration of AI and the increasing demand for chips' computing power, the global average price of GPGPUs has been continuously increasing. Particularly from 2023 to 2025, the rapid development of AI large models has significantly boosted demand for high-performance GPGPUs, leading to supply constraints and further price increases. Looking ahead, as the demand for computing power continues to rise from large model training to broader industry applications, the average global price of GPGPUs is expected to steadily increase without sharp fluctuations.

Global Average Price Changes of GPGPUs, 2020-2025



Source: Interview with industry experts, Industry publications, CIC

IMPACT ANALYSIS OF INTERNATIONAL TARIFF POLICIES ON GLOBAL SMART PRODUCTS INDUSTRY

In recent years, certain overseas governments, such as the U.S. government, have introduced or adjusted tariff policies in response to changes in the international trade environment. These measures may increase product export costs or pose supply chain adjustment pressures for Chinese ODM companies. However, as international relations continue to evolve dynamically, the scope of application, enforcement intensity, and long-term effectiveness of such policies remain uncertain. For example, the U.S. government and the PRC government have reached an agreement through negotiations to suspend further tariff increases and relax tariffs and trade controls in certain sectors. At present, these relevant tariff policies have not yet caused any systemic impact on the industry.

Faced with potential challenges brought by these tariff policies, leading ODM companies have strengthened their supply chain resilience by establishing a globalized manufacturing system and localizing supply chains. Specifically, in terms of a globalized manufacturing system, leading ODM companies have established overseas factories in regions like Southeast Asia and South America. This strategy allows for flexible capacity allocation to ensure supply stability and enables more favorable tariff rates to overseas markets such as the U.S.. As for localized supply chains, leading ODM companies actively promote domestic alternatives in the procurement of key components to reduce reliance on single sources and enhance supply chain stability and cost control. Moreover, they maintain constant awareness to changes in international tariff policies and consistently adjust their supply chain arrangements and target markets to reduce reliance on regions with high tariff barriers.

SOURCE OF INFORMATION

In connection with the Global Offering, we engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report about global smart products industry. The CIC Report has been prepared by CIC independent of the influence of our Group and other interested parties. We have agreed to pay CIC a total fee of RMB750,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market rate. CIC is a consulting firm founded in Hong Kong and provides professional industry consulting services across multiple industries. CIC's services include industry consultancy services, commercial due diligence and strategic consulting.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (i) given China's enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as gross Domestic Product ("GDP"), industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; (iii) related key industry drivers such as sales growth and structural upgrading in consumer electronics and accelerating computing demand driven by digital transformation and AI are likely to propel continued growth in global consumer electronics ODM and digital infrastructure industry throughout the forecast period; and (iv) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

Unless otherwise specified, all data and forecasts contained in this section are derived from the consultancy report of CIC. The Directors, upon acting with reasonable prudence, confirmed that there has been no occurrence of adverse change in the overall market information that would subject the data to significant restrictions, contradiction or negative effects since the date of the consultancy report.

Our business operation in the PRC is subject to the relevant laws, regulations, and government supervision. This section summarizes the principal laws, regulations, rules, and policies relevant to our business operation in the PRC.

LAWS AND REGULATIONS IN RELATION TO FOREIGN INVESTMENT

Pursuant to the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on December 29, 1993 and effective on July 1, 1994, last amended on December 29, 2023 and effective on July 1, 2024, a company established in the PRC may be in the form of a limited liability company and a joint stock limited company. Both shall have the status of a legal person. The liability of shareholders of a limited liability company and a joint stock limited company is limited to the amount of registered capital they have contributed or shares they have subscribed for.

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") was approved by the National People's Congress (the "**NPC**") on March 15, 2019 and came into effect on January 1, 2020, which superseded the Wholly Foreign-invested Enterprises Law of the People's Republic of China (《中華人民共和國外資企業法》), the Sino-foreign Equity Joint Venture Enterprise Law of the People's Republic of China (《中華人民共和國中外合資經營企業法》) and the Sino-foreign Cooperative Joint Venture Enterprise Law of the People's Republic of China (《中華人民共和國中外合作經營企業法》). Since then, the Foreign Investment Law has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors. While the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law and other laws, the original approval and filing administration system for the establishment and change of foreign-invested enterprises was abolished. The PRC government implements the management system of pre-entry national treatment and the Negative List for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry, which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC.

Investment activities in the PRC by foreign investors shall be subject to the Guiding Foreign Investment Direction (《指導外商投資方向規定》), which was promulgated by the State Council on February 11, 2002 and came into effect on April 1, 2002, and the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which was promulgated by the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce (the "**MOFCOM**") on September 6, 2024 and took effect on November 1, 2024. The Negative List sets out in a unified manner the special administrative measures, such as the requirements on shareholding percentages and management, for the access of foreign investments, and any field not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. The Company is engaged in research and development, design, production, manufacture and operation of intelligent hardware products, which do not fall into the category of businesses prohibited or restricted for foreign investment under the Negative List.

LAWS AND REGULATIONS IN RELATION TO IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) (the "**Foreign Trade Law**"), promulgated by the SCNPC on May 12, 1994 and amended on December 30, 2022, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. Before December 30, 2022, a foreign trade operator who is engaged in import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council or its entrusted agencies, unless otherwise provided by laws, administrative regulations and requirements of the foreign trade authority under the State Council. Where a foreign trade operator fails to do so, Customs shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

Pursuant to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《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 effective on January 1, 2022, customs declaration entities are defined as consignees and consignors of import and export goods, as well as customs declaration enterprises registered with customs. To apply for recordation, consignees, consignors, and customs declaration enterprises must first obtain market entity qualification. The recordation of customs declaration entities is valid indefinitely, whereas temporary recordation is valid for one year and may be renewed upon expiration through reapplication.

LAWS AND REGULATIONS IN RELATION TO MEDICAL DEVICES

Pursuant to the Administrative Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》) promulgated by the SAMR on August 26, 2021 and effective on October 1, 2021, medical devices of Class I are subject to record-filing, while medical devices of Class II and Class III are subject to registration.

According to the Measures for the Supervision and Administration of Medical Device Manufacture (《醫療器械生產監督管理辦法》) (the "**Measures on Manufacture of Medical Devices**"), which was amended by the SAMR on March 10, 2022 and came into effect on May 1, 2022, the manufacture of medical devices is administered by categorization according to the degree of risks of medical devices. Those engaged in the manufacture of Class II or Class III medical devices shall be approved by the drug regulatory authority of a province, autonomous region or centrally-administered municipality where they are located and obtain the manufacturing permit for medical devices in accordance with the law; and those engaged in the manufacture of Class I medical devices shall go through the record-filing formalities for the manufacture of medical devices with the drug regulatory authority at the level of city divided into districts where they are located.

Pursuant to the Measures on the Supervision and Administration of the Business Operations of Medical Devices (《醫療器械經營監督管理辦法》), last amended on March 10, 2022 by the SAMR and effective on May 1, 2022, an entity engaging in the operation of medical devices of Class I is not required to obtain approval or filing for record with the NMPA, or its local counterparts; an entity engaging in the operation of medical devices of Class II shall file for record with the drug regulatory authority at the level of city divided into districts where such entity located; an entity engaging in the operation of medical devices of Class III shall apply for an operation permit from the drug regulatory authority at the level of city divided into districts where such entity located.

The Company is engaged in research and development, design, production, manufacture and operation of intelligent products, including the production and sale of smart wearable products, and shall, subject to the provisions of the Measures for the Supervision and Administration of Medical Device Manufacture and the Measures on the Supervision and Administration of the Business Operations of Medical Devices, obtain the relevant permits or filing certificates for medical devices issued by the drug regulatory authorities for the purpose of engaging in the production and operation of medical devices in the PRC.

LAWS AND REGULATIONS IN RELATION TO RADIATION SAFETY

Pursuant to the Law of the People's Republic of China on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》) released by the SCNPC on June 28, 2003 with effect from October 1, 2003, an entity producing, selling or using radioisotope and ray devices shall, in accordance with the relevant provisions of the State Council on prevention of radioactivity from the radioisotope and ray devices, apply to obtain a permit, and make registration accordingly. An entity producing, selling, using or storing radioactive sources shall set up a sound and safe security system, designate a special person to be responsible for the system, ensure the implementation of the system of liability for safety, and formulate the necessary measures for addressing emergencies in accidents.

Pursuant to the Regulations on the Safety and Protection of Radioisotopes and Radiation Devices (《放射性同位素與射線裝置安全和防護條例》) promulgated by the State Council on September 14, 2005, and last amended and put into effect on March 2, 2019, and the Measures for the Administration of Safety Licensing for Radioisotopes and Radiation Devices (《放射性同位素與射線裝置安全許可管理辦法》) promulgated by the former Ministry of Environmental Protection on January 18, 2006, and last amended and put into effect on January 4, 2021, an entity producing, selling or using radioisotope and ray devices shall obtain a radiation safety license.

LAWS AND REGULATIONS IN RELATION TO WORK SAFETY AND PRODUCT QUALITY

According to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), which was amended by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, production and business entities shall (1) abide by this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees, (2) increase efforts to guarantee the input of funds, materials, technology, and personnel in work safety, improve work safety conditions, strengthen standardization and informatization of work safety, (3) construct a dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, raise work safety levels, and ensure work safety. Entities that are not qualified for safe production are prohibited from engaging in production and operations.

The Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), promulgated by the SCNPC on February 22, 1993, last amended and effective on December 29, 2018, is the main regulatory law on the supervision and management of product quality. According to the Product Quality Law, the producer of a product shall be responsible for the quality of the products they produce, and sellers shall take steps to maintain the quality of the products they sell. The producer of a product shall be liable to compensate for the damage done to a person or property other than the defective product itself due to the defects of the product.

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "**Civil Code**") issued by the NPC on May 28, 2020 and effective on January 1, 2021, in the event of product defects which have caused damage to others, the infringed may seek compensation from the manufacturer of the products or the seller of the products. In the event of product defects which compromise the personal and property security of others, the infringed shall have the right to request the manufacturer and the seller to bear tortious liability, such as cessation of infringement, removal of obstruction, and elimination of danger.

LAWS AND REGULATIONS IN RELATION TO CYBERSECURITY, DATA SECURITY AND PROTECTION OF PERSONAL INFORMATION

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with the laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data. Any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others, or illegally stealing or obtaining personal information, or illegally selling or providing personal information to others.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》), jointly promulgated by the Cyberspace Administration of China (the "**CAC**") and other regulatory authorities on December 28, 2021 and effective on February 15, 2022, (1) an application for cybersecurity review shall be made by an issuer which is an internet platform operator holding personal information of more than one million users before such issuer applies to list its securities in a foreign country. Since the Hong Kong Special Administrative Region is not a foreign country, listing in Hong Kong does not fall within the scope of listing abroad, so that voluntary application for cybersecurity review shall be not required under this provision, which has been confirmed by the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心) (the agency entrusted by the Cybersecurity Review Office to carry out the specific work of cybersecurity review); According to a telephone consultation with the center by the Company's lawyer on data compliance on August 12, 2025, it confirmed that the listing of Chinese companies in Hong Kong does not fall within the scope of "listing abroad" under the Cybersecurity Review Measures, (2) critical information infrastructure operators that purchase internet products and services must be subject to a cybersecurity review if their activities affect or may affect national security. To date, the Company has not received any notice or determination from any regulatory authorities identifying it as a critical information infrastructure operator. As the Company is not a critical information infrastructure operator at present, voluntary application for cybersecurity review shall be not required under the above provisions, (3) network platform operators that engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review. Pursuant to Article 16 under the Cybersecurity Review Measures, "where members of the cybersecurity review working mechanism believe that network products and services and data processing activities affect or are likely to affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval as per procedure, and then conduct a review in accordance with the Cybersecurity Review Measures." Based on the definition of national security as stipulated in the National Security Law of the People's Republic of China (《中華人民共和國國家安全法》) and the description of risk factors on national security that should be emphasized in cybersecurity review in Article 10 under the Cybersecurity Review Measures, taking into account that the Company has not been identified by the competent authorities as a critical information infrastructure operator, nor has it been determined by regulatory authorities that the Company's data processing activities affect or may affect national security, the possibility of the Company's data processing activities affecting or potentially affecting national security is low, and voluntary application for cybersecurity review shall be not required.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that conducting data processing activities shall be in compliance with the provisions of laws and regulations, and sets forth the requirements for establishing and completing a data security management system for the entire workflow, as well as the relevant legal liabilities due to the failure to fulfill the data security protection obligations as stipulated in this Law. Processors of important data shall specify the person responsible for data security and management agencies, implement data security protection responsibilities, periodically conduct risk assessments of such data processing activities as provided and submit risk assessment reports to the relevant authorities. If an entity violates the Data Security Law of the People's Republic of China and other applicable measures, such entity may be subject to a rectification order, warning, fine, suspension of relevant business, suspension of operations for rectification, and revocation of business permits or licenses by the relevant competent authorities, or even held criminally liable.

LAWS AND REGULATIONS IN RELATION TO OUTBOUND INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and effective on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and effective on March 1, 2018, a domestic enterprise, or an investor, making an outbound investment shall obtain approval or conduct record-filing for outbound investment projects, report relevant information, and cooperate with the supervision and inspection. Sensitive projects carried out by investors directly or through overseas enterprises controlled by them shall be subject to approval, specifically, including projects involving sensitive countries and regions and sensitive industries; non-sensitive projects directly carried out by investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee, shall be subject to record-filing.

LAWS AND REGULATIONS IN RELATION TO INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC in 1984 and amended in 1992, 2000, 2008 and 2020, respectively, a patentable invention or utility model must meet three conditions, namely novelty, inventiveness, and practical applicability. Patents will not be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, nuclear transformation methods and substances obtained by means of nuclear transformation, or designs of the pattern and the color of graphic printed matter and the combination of them that are primarily used to mark and identify. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining, and approving patent applications. A patent, commencing from the application date, is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design (a ten-year term for a design prior to the application date of May 31, 2021 (inclusive), commencing from the application date). Except for certain specific circumstances provided by law, any third-party users must obtain consent or a proper license from the patent owners to use the patent; otherwise, the use of the patent will constitute an infringement of the rights of the patent holder.

Trademark

The registered trademark applied for in the PRC are protected by the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was approved by the SCNPC in 1982 and subsequently amended in 1993, 2001, 2013 and 2019, respectively, and the Implementation Regulation for the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) approved by the State Council in 2002 and amended in 2014. The Trademark Office under the State Intellectual Property Office is responsible for handling trademark registrations and grants a term of ten years for the registered trademarks, which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for the record. A trademark license without filing shall not be enforceable against a bona fide third party. The Trademark Law of the People's Republic of China has adopted a first-to-file principle with respect to trademark registration. Where a trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected by the Trademark Office. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance by improper means a trademark that has already been used by another party and has already gained a certain degree of influence through such party's use.

Software Copyright

Pursuant 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 in 1990 and amended in 2001, 2010 and 2020, respectively, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works (including computer software) according to the law.

The Regulation on Computer Software Protection (《計算機軟件保護條例》), which was promulgated by the State Council on June 4, 1991 and amended in 2001, 2011 and 2013, respectively, aims to protect the rights and interests of copyright owners of computer software, regulate the relationship of interests generated in the development, dissemination and use of computer software, encourage the development and application of computer software, and promote the development of software industry and the informatization of national economy. According to this Regulation, Chinese citizens, legal persons, or other entities have copyright to the software created by them, regardless of whether or not it is published. Software copyright owners may register with the software registration agencies acknowledged by the copyright administrative department under the State Council. The registration certificate issued by the software registration agencies shall be the preliminary evidence for the registration. Software copyrights of legal persons or other entities are protected for a period of 50 years, ending on December 31 of the 50th year after the software was first published. However, if a software has not been published within 50 years of the date of completion of development, it will no longer be protected.

LAWS AND REGULATIONS IN RELATION TO REAL ESTATE AND CONSTRUCTION PROJECTS

According to the Civil Code, the creation, variation, transfer and extinguishment of immovable real rights shall be registered pursuant to the provisions of the law, unless the law provides to the contrary, such creation, variation, transfer, and extinguishment shall be ineffective without registration. The creation and transfer of movable real rights shall be delivered in accordance with the law. Owners shall have the right to possess, use, benefit from and dispose of their real estate or movable property in accordance with the law.

According to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) issued by the SCNPC on June 25, 1986, last amended on August 26, 2019 and effective on January 1, 2020, construction entities that have obtained state-owned land use rights through paid leasing must pay the land use right leasing fees and other fees and expenses in accordance with the standards and methods prescribed by the State Council before they can use the land. Construction entities using state-owned land must use the land in accordance with the provisions of the contract for paid use of the leased land use right or according to the provisions of the documents of approval concerning the allocation of land use rights. If it is necessary to change the purpose of the land use, approval must be obtained from the competent natural resources department of the relevant people's government and from the people's government that originally approved the land use. For urban planned areas, changing land use requires prior consent from the relevant urban planning administrative department before seeking approval.

According to the Implementation Regulations for the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法實施條例》) issued by the State Council on January 4, 1991, last amended on July 2, 2021 and effective on September 1, 2021, the use of state-owned land by the construction entities shall be acquired by way of paid use, except for those that can be obtained through allocation as stipulated by laws and administrative regulations. Methods of paid use of state-owned land include (i) transfer of state-owned land use rights; (ii) leasing of state-owned land; and (iii) contribution or equity participation in state-owned land use rights.

According to the Urban and Rural Planning Law (《城鄉規劃法》) promulgated by the SCNPC on October 28, 2007, and last amended on April 23, 2019, to build any building, structure, road, pipeline or other engineering project within a city or town planning area, the relevant construction entity shall apply for a Construction Work Planning Permit from a competent urban and rural planning administrative department. For construction work that proceeds without the Construction Work Planning Permit or is in violation of the provisions of the Construction Work Planning Permit, a competent urban and rural planning administrative department at or above the county level can order termination; if the impact on the planning caused by such construction can be eliminated, the department shall order it to take remedial action within a prescribed time limit and pay a fine of no less than 5% but not exceeding 10% of the construction cost; if such impact cannot be eliminated by remedial action, the department shall order the construction entity to demolish its construction within a prescribed time limit. For construction work that cannot be demolished, the department shall not only confiscate it or seize any illegal income but also may impose a fine of no more than 10% of the construction cost.

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, last amended and effective on April 23, 2019, a construction entity shall, prior to the commencement of a construction project, apply for a Construction Work Commencement Permit to a competent construction administrative department of the people's government at or above the county level of the place where the project is located pursuant to relevant regulations, except for small projects below the limit determined by the construction administrative authorities of the State Council. According to the Measures for Construction Permission Management of Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development and effective on March 30, 2021, no Construction Work Commencement Permit is required for construction projects with an investment amount of less than RMB300,000 or with a construction area of less than 300 square meters.

According to the Regulations on the Administration of Construction Quality (《建設工程質量管理條例》) promulgated by the State Council and effective on April 23, 2019, a construction entity shall, prior to the commencement of a construction project, go through construction quality supervision formalities pursuant to the relevant national regulations. Construction quality supervision formalities can be handled in combination with construction permits or commencement reports. The construction entity organizes the design unit, building unit, engineering supervision unit and other relevant units to execute the completion acceptance after receipt of the construction project completion report. Construction projects can only be put into use after passing the acceptance inspection.

Pursuant to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China on December 1, 2010 and effective on February 1, 2011, the lessor and lessee shall enter into a lease contract in accordance with the law. The parties to house leasing shall, within 30 days after the conclusion of the house leasing contract, handle the house leasing registration and filing formalities at the construction (real estate) administrative department of the people's government of the municipality directly under the Central Government, city or county at the place where the leased house is located. Any failure to register and file the lease in accordance with the regulations may result in the relevant competent administrative department ordering the parties to make rectifications within a prescribed time limit or pay a fine.

LAWS AND REGULATIONS IN RELATION TO LABOUR

According to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), which was approved by the SCNPC on July 5, 1994 and last amended on December 29, 2018, and the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) (the "**Labour Contract Law**"), which was approved by the SCNPC on June 29, 2007 and amended on December 28, 2012, employers shall formulate and improve rules and regulations in accordance with the law to ensure the employees to enjoy their rights and perform their duties as employees. A labour contract is an agreement between an employee and an employer to establish the employment relationship and clarify the rights and obligations of both parties. Employers are required to enter into written contracts with their employees, restrict the use of temporary workers and aim to give employees long-term job security.

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》) (the "**Social Insurance Law**") promulgated by the SCNPC on October 28, 2010, effective on July 1, 2011 and amended on December 29, 2018, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council and effective on January 22, 1999 and amended on March 24, 2019, an employer is required to contribute the social insurance for its employees in the PRC, including the basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and injury insurance.

On July 31, 2025, the Supreme People's Court of the PRC promulgated the Interpretation (II) of the Supreme People's Court on Issues Concerning 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用法律問題的解釋(二)》) ("**Interpretation (II)**"), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes to the employer that there is no need to make social insurance contributions, the People's Court of the PRC shall determine that such agreement or undertaking is invalid. In addition, where an employer fails to make social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the Labour Contract Law, the People's Court of the PRC shall support in accordance with the law.

According to the Regulations on the Administration of Housing Funds (《住房公積金管理條例》) promulgated by the State Council and effective on April 3, 1999, and last amended on March 24, 2019, an employer is required to make contributions to a housing provident fund for its employees. Where an employer fails to undertake payment and deposit registration of housing provident fund or fails to go through the formalities of opening the housing provident fund accounts for its staff and workers, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit, failing which, a fine of not less than RMB10,000 but more than RMB50,000 shall be imposed. Employers shall pay and deposit housing provident fund on time and in full, and shall not default in payment and deposit of, or underpay, the housing provident fund. The payment and deposit rates for the housing provident fund of both employees and employers shall not be less than 5% of the average monthly salary of an employee in the previous year. Where an enterprise fails to deposit the housing provident funds within the time limit or underpays the funds for its employees, the housing fund management center may order it to deposit the funds within a time limit, failing which the competent administration authority may apply to the people's court for enforcement.

According to the Interim Provisions on Labour Dispatch (《勞務派遣暫行規定》) issued by the Ministry of Human Resources and Social Security on January 24, 2014, and effective on March 1, 2014, employers may only use dispatched workers for temporary, ancillary, or substitute positions. The aforementioned temporary positions shall mean positions lasting for no more than six months; ancillary positions shall mean positions of non-major business that serve positions of major business; and substitute positions shall mean positions that can be substituted by other workers for a certain period during which the workers who originally hold such positions are unable to work as a result of full-time study, being on leave or other reasons. According to the Provisions, employers shall strictly control the number of dispatched workers, and the number of dispatched workers shall not exceed 10% of the total number of their employees (namely, the total number of employees with labour contracts and dispatched workers).

Pursuant to the Interim Provisions on Labour Dispatch, the Labour Contract Law of the People's Republic of China and the Implementation Rules for the Labour 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》), employers failing to comply with the relevant labour dispatch requirements shall be ordered by labour administrative authorities to rectify the non-compliance within a specified period. Failure to rectify within the stipulated period may result in a penalty of RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

LAWS AND REGULATIONS IN RELATION TO ENVIRONMENTAL PROTECTION

Environmental Protection

According to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014 and effective on January 1, 2015, facilities for pollution prevention and control in construction projects must be designed, constructed and put into use or operation simultaneously with the central part of a construction project.

Pollutant Discharge

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and effective on July 1, 2024, enterprises and public institutions as well as other producers and operators subject to the pollutant discharge licensing management in accordance with the law shall apply for and obtain a pollutant discharge license, and discharge pollutants in accordance with the provisions of the pollutant discharge licensing. Any enterprise that fails to obtain a pollutant discharge license as required shall not discharge pollutants. Enterprises and public institutions, as well as other producers and operators that are required by law to submit a pollution discharge registration form, shall register their pollution discharge on the national pollutant discharge license management information platform.

According to the Catalogue of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the Ministry of Ecology and Environment on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge license.

LAWS AND REGULATIONS IN RELATION TO FOREIGN EXCHANGE

The principal administrative regulation governing foreign currency exchange in the PRC is 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》) (the "**Regulations on Foreign Exchange Administration**") promulgated by the State Council on January 29, 1996, effective on April 1, 1996 and amended on January 14, 1997 and August 5, 2008, respectively. Under the Regulations on Foreign Exchange Administration, the State does not restrict the international payment and transfer for current account items, including the goods, services, gains and recurring transaction items in the balance of payment, but not for capital account items, such as direct investments, loans, capital transfer and investments in securities, unless prior approval of the State Administration of Foreign Exchange (the "**SAFE**") is obtained and prior registration with the SAFE is made.

According to the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in 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》) announced by the SAFE on February 1, 2005 and amended on December 26, 2014, the SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas listing. The domestic company shall, within 15 working days upon the end of its overseas public offering, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《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》) promulgated by the SAFE and put into effect on June 9, 2016, and the Circular of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) promulgated by the SAFE and put into effect on December 4, 2023, the foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. The amounts in RMB received from discretionary settlement shall be managed in an account of foreign exchange settlement pending payment. 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 the above proportion in due time according to the balance of payments. The use of domestic institutions' foreign exchange receipts under the capital account and the RMB funds obtained from the settlement thereof shall be subject to the following requirements: (1) the use of capital funds of non-financial enterprises, foreign exchange income under foreign debt and RMB funds derived from foreign exchange settlement shall follow the principle of truthfulness and self-use, which shall not be used directly or indirectly for expenditures prohibited by national laws and regulations; (2) unless otherwise expressly provided, it shall not be used directly or indirectly for investment in securities or other investment and wealth management (except for wealth management products and structured deposits with risk ratings of not higher than Level 2); (3) it shall not be used for the issuance of loans to non-affiliated enterprises (except for those expressly permitted in the scope of business and the four areas of Lingang New Area of China (Shanghai) Pilot Free Trade Zone, Guangzhou Nansha New Area of China (Guangdong) Pilot Free Trade Zone, Yangpu Economic Development Zone of China (Hainan) Free Trade Port and Beilun District of Ningbo City, Zhejiang Province); (4) it shall not be used for the purchase of non-self-use residential properties (except for enterprises engaged in real estate development and operation and real estate leasing and operation).

According to the Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Administration Policy for Foreign Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》), which was promulgated by the SAFE on November 19, 2012, came into effect on December 17, 2012 and latest amended on December 30, 2019, the previous approving procedures was significantly simplified by cancelling the requirement for the opening of a foreign exchange account or the entry of any amount in the foreign exchange accounts under direct investment, and instead, the bank can open the account for relevant client according to the information registered in the relevant system of the SAFE.

The Notice of State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Administration Policy for Overseas 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》), which was promulgated by the SAFE on February 13, 2015, came into effect on June 1, 2015 and last amended on December 30, 2019, lifted the requirement of administrative approval in relation to foreign exchange registration and approval for offshore direct investment, which was changed to the mechanism that the banks directly review and complete the foreign exchange registration for offshore direct investment, and the SAFE and its branches will implement indirect regulation over the foreign exchange registration for direct investment through the banks.

LAWS AND REGULATIONS IN RELATION TO DIVIDEND DISTRIBUTION

The Company Law stipulates the main regulations concerning dividend distribution. Dividend distribution by foreign-invested enterprises is further regulated by the Foreign Investment Law and its implementation rules.

According to the above laws and regulations, when a PRC company (including a foreign-invested enterprise) distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company's statutory reserve. Such accrual is no longer required when the accumulated amount of the company's statutory reserve is more than 50% of the company's registered capital. Where the accumulative amount of the company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according to the provisions of the preceding paragraph. After having accrued a statutory reserve from the after-tax profits, the company can also set aside a discretionary reserve from the after-tax profits upon a resolution made by the shareholders' meeting. The residual after-tax profits after the company has made up its losses and accrued reserve shall be distributed as dividends.

LAWS AND REGULATIONS IN RELATION TO TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) approved by the NPC on March 16, 2007 and effective on January 1, 2008, and subsequently amended by the SCNPC on February 24, 2017 and December 29, 2018, respectively, and the Implementation Rules to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》), which was laid down by the State Council on December 6, 2007, effective on January 1, 2008 and amended on December 6, 2024, a resident enterprise shall pay enterprise income tax on its income deriving from both inside and outside the PRC at the rate of enterprise income tax of 25%. Wholly foreign-invested enterprises in the PRC, which fall into the category of resident enterprises, shall pay enterprise income tax for the income originated from domestic and overseas sources at an enterprise income tax rate of 25%. The actual management body (referring to the body that has de facto management and control with respect to the production, operations, personnel, finance, property and other aspects of the enterprise) established under laws of overseas countries or regions shall be regarded as resident enterprises if it is located within the territory of the PRC, and shall pay enterprise income tax at the rate of 25% on its income originating from both in and outside PRC. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside the PRC at the reduced rate of enterprise income tax of 10%, unless otherwise agreed in the tax treaty or arrangement signed by the PRC and the countries or regions where non-resident enterprises are located. The enterprise income tax shall be levied at the reduced rate of 15% for high-tech and new technology enterprises that are specifically supported by the State.

Value-added Tax

According to the Provisional Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值税暫行條例》, the "**Regulations on Value-added Tax**"), which was promulgated by the State Council on December 13, 1993, effective on January 1, 1994 and subsequently amended on November 10, 2008, February 6, 2016 and November 19, 2017, respectively, and the Implementation Rules for the Provisional Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the Ministry of Finance (the "**MOF**"), effective on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011, respectively, and became effective on November 1, 2021, entities and individuals engaging in the sale of goods or providing processing, repair and assembly services, sale of services, intangible assets, immovable and importation of goods in the PRC are the taxpayers and shall be subject to value-added tax. Unless otherwise specified, the tax rates are as follows: 17% for taxpayers engaging in the sale of goods, labour services, leasing services for tangible movable assets, or importation of goods; 11% for taxpayers engaging in sale of transportation, postal, basic telecommunications, construction, immovable asset leasing services, sale of immovable assets, transfer of land use rights, and sale or importation of specific goods; 6% for taxpayers engaging in provision of services and sale of intangible assets; zero for taxpayers engaging in exporting goods; zero for domestic entities and individuals engaging in the sale of cross-border services and intangible assets within the scope prescribed by the State Council.

According to the Notice on Fully Launch of the Pilot Scheme for the Conversion of Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》), which was promulgated by the MOF and the State Taxation Administration (the "**STA**") on March 23, 2016 and came into effect on May 1, 2016, and was subsequently amended on July 11, 2017, December 25, 2017 and March 20, 2019, respectively, from May 1, 2016 onwards, the pilot reform for the transition from business tax to value-added tax is implemented nationwide with the approval of the State Council.

The Circular on Adjusting Value-added Tax Rates (《關於調整增值稅稅率的通知》), which was promulgated by the MOF and the STA on April 4, 2018 and came into effect on May 1, 2018, adjusts the applicable rate of VAT and stipulates that for a taxpayer who engages in a taxable sales activity for the VAT purpose or importation of goods, the previous applicable tax rates of 17% and 11% would be adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), which was promulgated by the MOF, STA and General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, for a general value-added taxpayer who engages in a taxable sales activity for the VAT purpose or importation of goods, the previous applicable tax rate of 16% will be adjusted to 13%; and the previous applicable tax rate of 10% will be adjusted to 9%.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), which will come into effect on January 1, 2026, when the Regulations on Value-added Tax will be repealed.

LAWS AND REGULATIONS IN RELATION TO OVERSEAS LISTINGS

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") released the Trial Measures for Administration on 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》) with supporting guidelines (collectively referred to as the "**New Filing Regulations**"), which came into effect on March 31, 2023. Under the New Filing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either directly or indirectly, are required to file the required documents with the CSRC within three working days after their application for overseas listing is submitted and report relevant information.

On February 24, 2023, the CSRC and MOF, National Administration of State Secrets Protection and National Archives Administration jointly promulgated the Provisions on Strengthening Confidentiality and Archives Administration of 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》) (the "**Confidentiality and Archives Administration Regulations**"), which came into effect on March 31, 2023. According to Confidentiality and Archives Administration Regulations, PRC domestic enterprises seeking offering and listing of securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests to relevant securities companies, securities service institutions, overseas regulatory agencies, and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN HONG KONG

Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the "Import and Export Ordinance")

The Import and Export Ordinance provides for the regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, the handling and carriage of articles within Hong Kong which have been imported into Hong Kong, or which may be exported from Hong Kong, and any matter incidental to or connected with the foregoing.

The import and export of certain articles are prohibited under sections 6C and 6D unless with the relevant licences which are issued under section 3 of the Import and Export Ordinance. Pursuant to section 6C of the Import and Export Ordinance, no person shall import any article specified in schedule 1 to the Import and Export (General) Regulations (Chapter 60A of the Laws of Hong Kong) except under and in accordance with an import licence issued by the Director-General of Trade and Industry under section 3 of the Import and Export Ordinance. Section 6D of the Import and Export Ordinance provides that no person shall export any article specified in the second column of schedule 2 to the Import and Export (General) Regulations to the place specified opposite thereto in the third column of the schedule except under and in accordance with an export licence issued by the Director-General of Trade and Industry under section 3 of the Import and Export Ordinance. Any person who contravenes sections 6C or 6D of the Import and Export Ordinance shall be guilty of an offense and liable to a fine of HK$500,000 and to imprisonment for two years on summary conviction, or a fine of HK$2,000,000 and to imprisonment for seven years on conviction on indictment.

During the Track Record Period and as at the Latest Practicable Date, our Group, through its Hong Kong subsidiary, Huaqin Telecom Hong Kong Limited (華勤通訊香港有限公司), engages primarily in the trading of electronic components and related materials with overseas customers and suppliers in Hong Kong, and had not imported any articles which would contravene section 6C of the Import and Export Ordinance nor exported any articles which would contravene section 6D of the Import and Export Ordinance and is not required to obtain a licence under section 3 of the Import and Export Ordinance.

Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) (the "Import and Export Regulations")

Regulation 3 of the Import and Export Regulations sets out exemptions in respect of regulations 4 and 5. Pursuant to regulation 4 of the Import and Export Regulations, every person who imports any article other than an exempted article shall lodge with the Commissioner of Customs and Excise an accurate and complete import declaration relating to such article using the specified system, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation of the article to which it relates.

Regulation 5 of the Import and Export Regulations requires that every person who exports or re-exports any article other than an exempted article shall lodge with the Commissioner of Customs and Excise an accurate and complete export declaration relating to such article using the specified system, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the exportation of the article to which it relates.

Any person fails or neglects to do such declaration as required under regulations 4 and 5 of the Import and Export Regulations within 14 days after the importation or exportation (as the case may be) of the article to which it relates without any reasonable excuse shall be liable to (1) a fine of HK$2,000 upon summary conviction; and (2) commencing from the date of conviction, a fine of

HK$100 in respect of everyday during which his failure or neglect to lodge such declaration in that manners continues. Further, any person who knowingly or recklessly lodges any declaration with the Commissioner of Customs and Excise that is inaccurate in any material particular shall be liable on summary conviction to a fine of HK$10,000.

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "Inland Revenue Ordinance") and Transfer Pricing

The taxation of corporations carrying on business in Hong Kong is governed by the Inland Revenue Ordinance. Hong Kong adopts a territorial source principle of taxation, under which only profits arising in or derived from Hong Kong are subject to profits tax. During the Track Record Period and as at the Latest Practicable Date, our Hong Kong subsidiary, Huaqin Telecom Hong Kong Limited (華勤通訊香港有限公司), is subject to a profits tax rate of 8.25% on the first HK$2 million of assessable profits and 16.5% on the remaining profits.

As our Hong Kong subsidiary conducts trading transactions with other group companies located in different jurisdiction(s), we are also subject to the laws and regulations on transfer pricing in Hong Kong.

Section 20A of the Inland Revenue Ordinance gives the Inland Revenue Department of Hong Kong (the "**IRD**") wide powers to collect tax due from non-residents. The IRD may also make transfer pricing adjustments by disallowing expenses incurred by Hong Kong residents under sections 16(1), 17(1)(b) and 17(1)(c) of the Inland Revenue Ordinance and make additional assessments under section 60 of the Inland Revenue Ordinance. The IRD may also challenge the entire arrangement under general anti-avoidance provisions according to sections 61 and 61A of the Inland Revenue Ordinance.

The Inland Revenue (Amendment) (No. 6) Ordinance 2018 (the "**Amendment Ordinance**") codifies the transfer pricing principles in relation to how the pricing for the supply of goods and services between associated parties should be determined and implemented. Departmental Interpretation and Practice Notes Nos. 45, 46, 48, 58, 59 and 60 issued by IRD set out its interpretations and practices in relation to transfer pricing and related issues.

Pursuant to the Amendment Ordinance, a person who have a Hong Kong tax advantage if taxed on the basis of a non-arm's length provision (the "**Advantaged Person**") will have income adjusted upwards or loss adjusted downwards. Section 50AAF of the Inland Revenue Ordinance stipulates that the Advantaged Person's income or loss is to be computed as if arm's length provision had been made or imposed instead of the actual provision. If the Advantaged Person fails to prove to the satisfaction of the assessor of the IRD that the person's income or loss as stated in the person's tax return is the arm's length amount, the assessor of the IRD must estimate an amount as the arm's length amount and, taking into account the estimated amount (a) make an assessment or additional assessment on the person; or (b) issue a computation of loss, or revise a computation of loss resulting in a smaller amount of computed loss, in respect of that person.

The Amendment Ordinance introduces a mandatory "three-tiered" transfer pricing documentation requirement in Hong Kong consisting of (a) Master File; (b) Local File; and (c) Country-by-country Report. The Amendment Ordinance provides two types of exemptions to entities that engage in transactions with associated enterprises from preparing Master File and Local File. In terms of size-based business exemption thresholds, a Hong Kong taxpayer meeting any two of the following three size-based business exemption thresholds for an accounting period is exempted from preparing the Master File and Local File for that accounting period: (a) Total annual revenue not exceeding HK$400 million; (b) Total value of assets not exceeding HK$300 million; or (c) Average number of employees not exceeding 100. In terms of volume-based related party transactions exemption thresholds, the threshold per accounting period for transfer of property (whether movable or immovable but excluding financial assets and intangible assets) is HK$220 million.

OVERVIEW

Our Company was established in August 2005 when Mr. Qiu Wensheng founded our business primarily focused on research and design of mobile phones and serving the PRC domestic market. We are a smart products platform with over 20 years of expertise in smart products that integrate core technologies including AI, IoT, big data and communication technologies and incorporate intelligent functions. Drawing on this experience, we support the development and implementation of products and technologies through the mobile communication, internet, cloud computing and AI eras.

In November 2020, our Company was converted into a joint stock limited company from a limited liability company. In August 2023, our Company's A Shares became listed on the main board of Shanghai Stock Exchange (stock code: 603296). See "— Major Shareholding Changes of Our Company — Conversion into Joint Stock Limited Company and Listing on the Main Board of Shanghai Stock Exchange" for further details.

As of the Latest Practicable Date, our total issued share capital was held as to approximately 43.37% our Controlling Shareholder Group, including Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang. See "Relationship with our Controlling Shareholders" for the background of our Controlling Shareholder Group.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

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

Year	Milestone
2005 to 2009	Our Company was established in August 2005.
	We started providing mobile phone motherboard design to brand manufacturers based on the independent design house (IDH) business model.
	We delivered our mobile phones in complete devices to brand customers under the ODM business model for the first time.
	We internationalized our business and provided ODM services to overseas brands.
2010 to 2014	Our Dongguan manufacturing center commenced production.
	Our Xi'an R&D center commenced operations.
	We delivered our tablets to global markets for the first time.
	We ranked first globally in smartphone ODM industry in terms of ODM shipments for the first time, according to CIC.
2015 to 2019	We ranked first among China-based ODM companies in terms of ODM shipments for the first time, according to CIC.
	We achieved a diversified product portfolio, including achieving our first delivery of laptops to global markets, our first delivery of smart wearables at scale and our first delivery of AIoT products at scale.
	We established our data center business division and delivered our servers at scale for the first time.

Year	Milestone
	Our Wuxi R&D center and Dongguan R&D center commenced operations.
	Our Nanchang manufacturing center commenced production.
	We established Dongguan Huayu Precision Technology Co., Ltd. (東莞華譽精密技術有限公司).
2020 to date	We established our automobile electronics business division and delivered our automotive electronics products for the first time.
	We established X-Lab.
	We established Guangdong Xiqin Precision Mould Co., Ltd. (廣東省西勤精密模具有限公司) and acquired a controlling stake in Nanchang Chunqin Precision Technology Co., Ltd. (南昌春勤精密技術有限公司).
	Our Vietnam manufacturing center commenced production.
	Our Company's A Shares were listed on the main board of Shanghai Stock Exchange in August 2023.
	Our India manufacturing base commenced production.
	We acquired a controlling stake in Innovation Enterprises Holdings Limited.
	Our annual revenue exceeded RMB100 billion in 2024.
	Our global R&D center in Shanghai commenced operations.
	We established Guangdong Haoqin Robotics Technology Co., Ltd. (廣東昊勤機器人科技有限公司).

OUR MAJOR SUBSIDIARIES

We carried out our business through 74 subsidiaries as at the end of the Track Record Period. The following entities were our major subsidiaries which (i) contributed to 5% or more in terms of total assets, net assets, or revenue to the Group in any of the financial year during the Track Record Period; and (ii) were considered material to our operations during the Track Record Period:

Name of subsidiary	Place of incorporation	Date of incorporation	Principal business activities	Equity interest attributable to our Group
Dongguan Huabei Electronic Technology Co., Ltd. (東莞華貝電子科技有限公司) ("Dongguan Huabei")	PRC	February 2, 2010	Manufacturing of electronic devices	100.00%
Nanchang Huaqin Electronic Technology Co., Ltd. (南昌華勤電子科技有限公司) ("Nanchang Huaqin")	PRC	April 21, 2017	Manufacturing of electronic devices	100.00%

Name of subsidiary	Place of incorporation	Date of incorporation	Principal business activities	Equity interest attributable to our Group
Nanchang Qinsheng Electronic Technology Co., Ltd. (南昌勤勝電子科技有限公司) ("Nanchang Qinsheng")	PRC	November 30, 2018	Manufacturing of electronic devices	100.00%
Guangdong Ruiqin Technology Co., Ltd. (廣東瑞勤科技有限公司) ("Guangdong Ruiqin")	PRC	April 20, 2020	Manufacturing of electronic devices	100.00%
EVEX TECHNOLOGY CO., LTD (廣東遠圖未來科技有限公司) ("EVEX TECHNOLOGY")	PRC	December 11, 2019	Manufacturing of electronic devices	75.00%
Huaqin Telecom Hong Kong Limited (華勤通訊香港有限公司)	Hong Kong	June 8, 2006	Trading	100.00%
RQ Technology Electronics Viet Nam Company Limited	Vietnam	August 21, 2023	Manufacturing of electronic devices	100.00%

As of the Latest Practicable Date, our other subsidiaries were principally engaged in, among others, research and development, manufacturing of electronic devices, trading and investment holding.

MAJOR SHAREHOLDING CHANGES IN OUR COMPANY

Establishment of our Company

On August 29, 2005, our Company was established in Shanghai, PRC as a limited liability company with an initial registered capital of RMB9 million.

Conversion into Joint Stock Limited Company and Listing on the Main Board of Shanghai Stock Exchange

In November 2020, our Company was converted into a joint stock limited company from a limited liability company. In August 2023, our Company's A Shares were listed on the main board of Shanghai Stock Exchange (stock code: 603296) (the "A-Share Listing"). Pursuant to the A-Share Listing, our Company issued an aggregate of 72,425,241 A Shares, accounting for 10% of our Company's total share capital immediately following the completion of the A-Share Listing.

Subsequent Shareholding Changes

Since our A-Share Listing in 2023, the share capital of our Company changed from time to time, including as a result of cancellation of restricted A Shares pursuant to our Share Incentive Schemes and capitalization issues. For details of changes in share capital of our Company within the two years immediately preceding the date of this prospectus, see "Statutory and General Information — (A) Further Information about our Group — 2. Changes in Share Capital of Our Company" in Appendix VI to this prospectus. As of the Latest Practicable Date, the total issued share capital of our Company was 1,015,732,344 A Shares, including 215,947 A Shares repurchased by our Company pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares.

OUR PREVIOUS LISTING ATTEMPT

Our Company submitted an application to the Shanghai Stock Exchange (上海證券交易所) for listing on the Science and Technology Innovation Board (科創板) (the "STAR Market") ("Previous Listing Attempt"), which was accepted in June 2021. In April 2022, our Company voluntarily withdrew its application, having considered that a listing on the Main Board of the Shanghai Stock Exchange would be more conducive to its future capital management and sustainable development. Prior to such voluntary withdrawal of the Previous Listing Attempt, we had received enquiries from Shanghai Stock Exchange in relation to the Previous Listing Attempt and these enquiries had been fully addressed.

Our Directors confirm that, to the best of their knowledge, information and belief, they are not aware of any material matters relating to the Previous Listing Attempt that would affect the Company's suitability for listing on the Stock Exchange and any other matters that need to be brought to the attention of the Stock Exchange and potential investors in relation to the Previous Listing Attempt.

Having made due and reasonable inquiries of the Company, reviewed the Previous Listing Attempt application and termination records, and received confirmations from the professional parties involved in the Previous Listing Attempt that there was no disagreement between such professional parties and the Company, the Joint Sponsors are of the view that there are no matters arising from the Previous Listing Attempt that need to be brought to the attention of the Stock Exchange.

OUR LISTING ON THE MAIN BOARD OF SHANGHAI STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE HONG KONG STOCK EXCHANGE

Since August 2023, our Company's A Shares have been listed on the main board of Shanghai Stock Exchange. Our Directors confirmed that, since its listing on the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisor advised us that during the Track Record Period and up to the Latest Practical Date, we have not been subject to any material administrative penalties or regulatory measures imposed by PRC securities regulatory authorities and we had complied with the relevant laws and regulations on A share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respect.

Our Company seeks to be listed on the Hong Kong Stock Exchange in order to promote our globalization strategy and overseas business, facilitate access to global capital markets, strengthen our global profile and enhance our competitiveness. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" for more details.

SHARE INCENTIVE SCHEMES

In order to incentivize our employees, we adopted the Share Incentive Schemes. See "Appendix IV — Statutory and General Information — (D) Share Incentive Schemes" for details.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Throughout the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

PUBLIC FLOAT

Rule 19A.13A(2) of the Hong Kong 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 (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000. Our A Shares are listed on the Shanghai Stock Exchange. Immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the total market value of the H Shares to be held by the public is expected to be approximately HK$4,549.2 million, calculated based on an Offer Price of HK$77.70 per H Share, which is higher than the prescribed expected market value of H Shares required to be held in public hands of not less than HK$3,000,000,000 under Rule 19A.13A(2)(b) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Based on an Offer Price of HK$77.70 per H Share, the minimum prescribed public float percentage under Rule 19A.13A(2)(b) of the Listing Rules would be approximately 3.59%, being the percentage derived by dividing HK$3,000,000,000 by the total market value of the Company's total issued Shares at the time of Listing. The total number of the H Shares to be issued pursuant to the Global Offering represents approximately 5.0% of the total issued share capital of our Company (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), which is higher than the minimum prescribed public float percentage under Rule 19A.13A(2)(b) of the Listing Rules.

FREE FLOAT

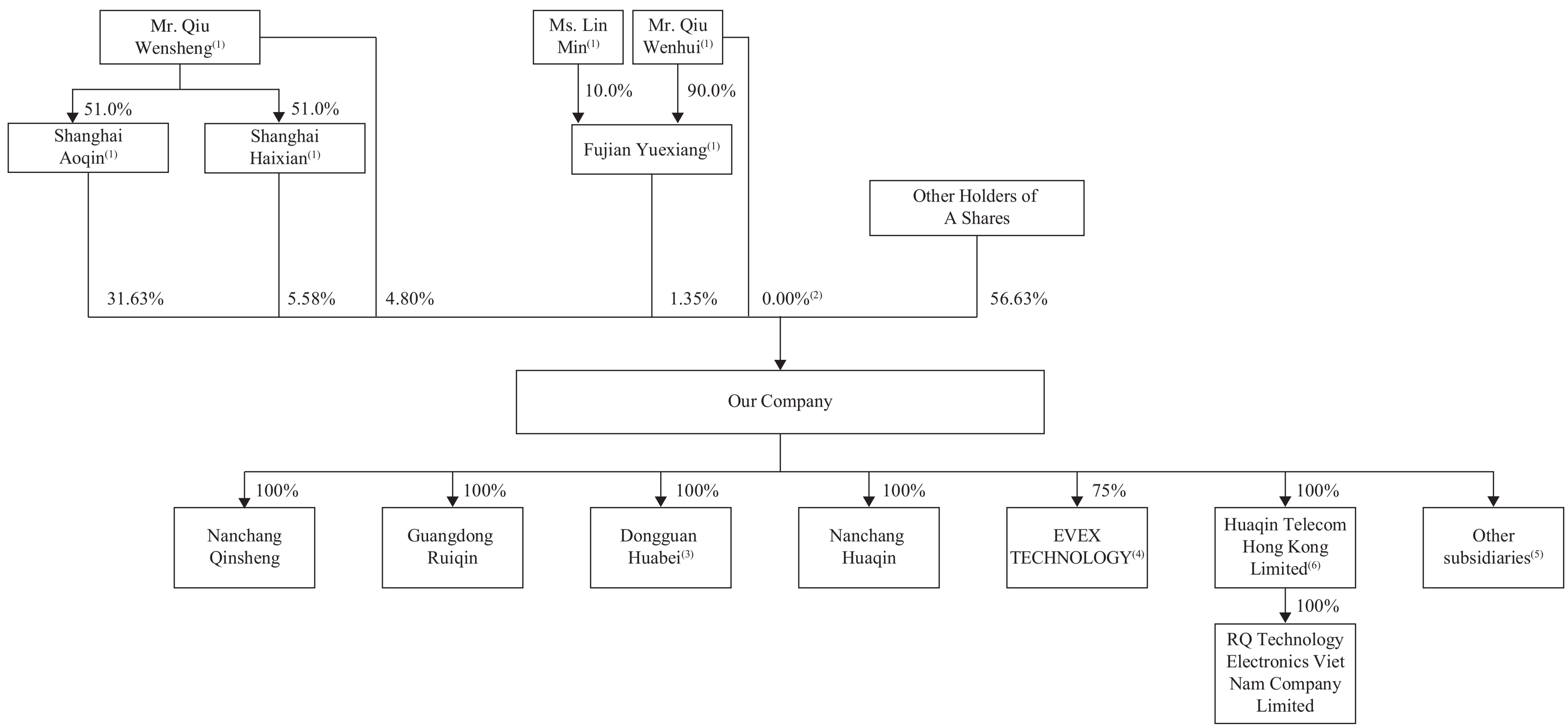
Rule 19A.13C(2) of the Hong Kong Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Hong Kong 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 (excluding treasury shares), 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.

Immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), and excluding the H Shares subscribed for by the Cornerstone Investors, the total market value of H Shares required to be held in public hands and not subject to any disposal restrictions is expected to be approximately HK$2,276.4 million, calculated based on an Offer Price of HK$77.70 per H Share, which is higher than the prescribed expected market value of H Shares required to be held in public hands of not less than HK$600,000,000. Therefore, the Company is expected to satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and corporate structure immediately before the Global Offering

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



Notes:

(1) Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui (brother of Mr. Qiu Wensheng), Ms. Lin Min (spouse of Mr. Qiu Wenhui) and Fujian Yuexiang are our Controlling Shareholders Group. See "Relationship with our Controlling Shareholders" for further details.

As of the Latest Practicable Date, 20,400,000 A Shares held by Shanghai Haixian, representing approximately 2.01% of the total issued Shares of our Company, had been pledged in favor of Tibet Trust Co., Ltd. (西藏信託有限公司) ("Tibet Trust"), an Independent Third Party in connection with a loan. 20,400,000 A Shares of the Company held by Shanghai Haixian were pledged to Tibet Trust as security for debt repayment obligations. It is expected that the pledge will expire on April 22, 2026 and will be renewed upon expiry. The pledge secures all the debt repayment obligations, including principal, interest, penalties and related expenses, and cannot be transferred without Tibet Trust's prior written consent. If breached, additional collateral must be provided or Tibet Trust may enforce the pledge. Tibet Trust has the right to enforce the pledge through compulsory enforcement proceedings without litigation or arbitration. The pledge was made to secure financing arrangements for Shanghai Haixian and does not adversely that affect the Company's operations or financial position. To the best of their knowledge, information and belief of the Company and as confirmed with Mr. Qiu Wensheng, Shanghai Haixian has sufficient financial resources and liquidity to meet the debt repayment obligations secured by such share pledge. As advised by our PRC Legal Advisor, as of the date of the prospectus, there is no dispute between Shanghai Haixian and Tibet Trust regarding the aforementioned share pledge, and the legal risk of such share pledge being subject to compulsory enforcement is relatively low. The Joint Sponsors concur with the Company's view that Shanghai Haixian has sufficient financial resources and liquidity to meet the debt repayment obligations secured by the share pledge and the likelihood of the enforcement of the share pledge is relatively low.

(2) This denotes less than 0.005% of the total issued Shares of our Company.

(3) As of the Latest Practicable Date, Dongguan Huabei was owned as to approximately 72.22% directly by our Company and as to approximately 27.78% indirectly through Shanghai Chuanggong Communications Technology Co., Ltd. (上海創功通訊技術有限公司), a wholly-owned subsidiary of our Company.

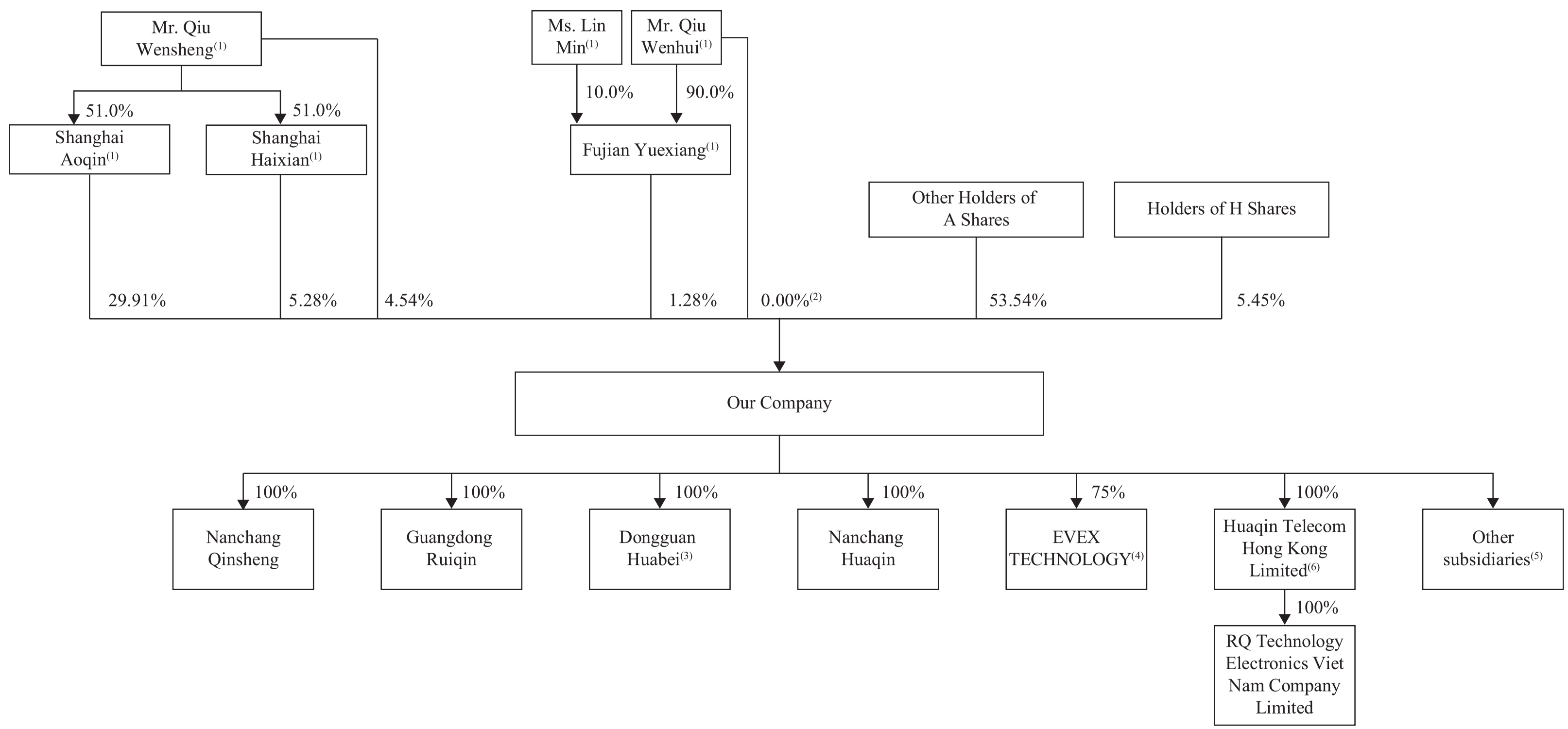
(4) As of the Latest Practicable Date, EVEX TECHNOLOGY was owned as to 75.00% by our Company; as to 2.50% by Shanghai Aoqin, a member of our Controlling Shareholders Group; as to 4.80% by Mr. Deng Zhiguo, our executive Director and deputy general manager; as to 2.50% by Mr. Wu Zhenhai, our executive Director and deputy general manager and as to 15.20% by four other shareholders, namely Shanghai Yunyao Changlong Management Consulting Partnership Enterprise (Limited Partnership) (上海雲耀昌隆管理諮詢合夥企業(有限合夥)) ("Shanghai Yunyao"), Shanghai Yunxiangyuansheng Management Consulting Partnership Enterprise (Limited Partnership) (上海雲祥源盛管理諮詢合夥企業(有限合夥)) ("Shanghai Yunxiangyuansheng"), Shanghai Yunxiang Rongda Management Consulting Partnership Enterprise (Limited Partnership) (上海雲祥榮達管理諮詢合夥企業(有限合夥)) ("Shanghai Yunxiang Rongda") and Mr. Cheng Lizhi (程勵之), who were Independent Third Parties. Shanghai Yunyao was held as to (i) approximately 1.40% by its general partner, Ms. Du Chunjuan (杜春娟), an Independent Third Party; and (ii) approximately 98.60% by 12 limited partners and none of which held one-third or more of the partnership interest therein. Shanghai Yunxiangyuansheng was held as to (i) approximately 3.38% by its general partner, Mr. Yan Feilong (晏飛龍), an Independent Third Party; (ii) approximately 40.57% by one of its limited partners, Mr. Deng Zhiguo (鄧治國), our executive Director and deputy general manager; and (iii) approximately 56.05% by the remaining 19 limited partners and none of which held one third or more of the partnership interest therein. Shanghai Yunxiang Rongda was held as to (i) approximately 39.88% by its general partner, Mr. Cheng Lizhi (程勵之), an Independent Third Party; and (ii) approximately 60.12% by 20 limited partners and none of which held one-third or more of the partnership interest therein.

(5) As of the Latest Practicable Date, our Company had more than 70 subsidiaries, including our Major Subsidiaries.

(6) As of the Latest Practicable Date, our Company indirectly held 100% equity interest in Huaqin Telecom Hong Kong Limited through Haiqin Telecom HongKong Limited, a wholly-owned subsidiary of our Company.

Shareholding and corporate structure upon completion of the Global Offering

The following chart sets forth the shareholding and beneficial ownership structure of our Group immediately following the completion of the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and Listing:



Notes:

(1)-(6) See the respective notes to the corporate structure chart immediately prior to the completion of the Global Offering as set out above.

OVERVIEW

Who We Are

We are a smart product platform with over 20 years of expertise in smart products that integrate core technologies including AI, IoT, big data and communication technologies and incorporate intelligent functions. Drawing on this experience, we support the development and implementation of products and technologies across the mobile communication, internet, cloud computing and AI eras. We provide global technology companies with a diverse range of smart products, covering mobile terminals, computing and data center business, AIoT, and innovative business. We have established strong leadership in our core product domains. According to CIC, we are a full-stack smart product ODM platform, ranking first worldwide across multiple smart product categories. In addition, according to CIC, we were the largest consumer electronics ODM company worldwide in 2024 in terms of global ODM shipments of consumer electronics, with a market share of 22.5%. We were also the second largest smartphone ODM company worldwide in 2024 in terms of global ODM shipments of smartphones, with a market share of 25.9%, the largest tablet ODM company worldwide in 2024 in terms of global ODM shipments of tablets, with a market share of 37.9%, and the largest smart wearable ODM company worldwide in 2024 in terms of global ODM shipments of smart wearables, with a market share of 18.7%. In addition, we ranked fourth globally and first in China among laptop ODM companies in terms of global ODM shipments of laptops in 2024, with a market share of 9.6%. In terms of revenue generated from digital infrastructure business in China in 2024, we ranked sixth among all digital infrastructure providers in China, with a market share of 5.0%.

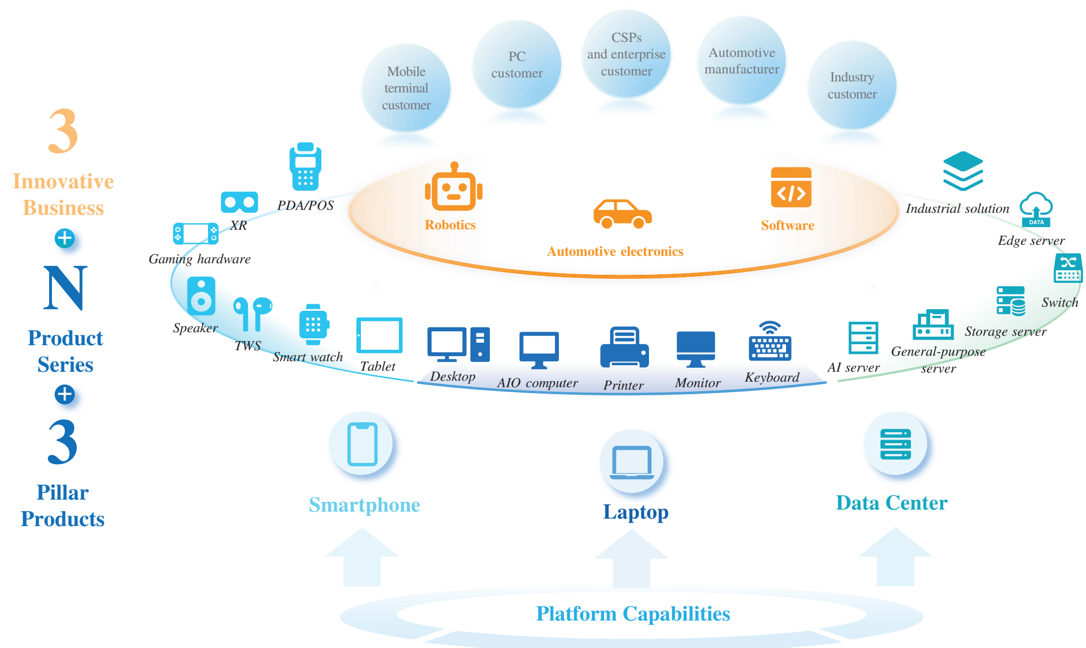
We have established a comprehensive smart product platform spanning multiple categories, enabling us to provide customers with end-to-end solutions. With a deep understanding of the diverse needs of global brand customers under various scenarios, we have established a strategic "3+N+3" product matrix that defines our product development priorities and guides our expansion into new fields.

- 3: Our business is rooted in three core product pillars: smartphones, laptops, and servers. These form the foundation of our offerings and represent our primary areas of expertise.

- N: Expanding from each of our three core product pillars, we have developed N types of related products that extend into adjacent businesses, including mobile terminals and AIoT, computing business and data center products.

- 3: We are continually exploring new opportunities in innovative areas such as automotive electronics, software and robotics to further serve emerging customer needs and diversify our portfolio.

According to CIC, we are one of the world's most comprehensive smart product ODM platforms in terms of product diversity. In addition, we are also the only ODM company globally to achieve a leading market position across smartphones, tablets, smart wearables, laptops and digital infrastructure products.



- We have capitalized on market opportunities arising from the intelligent transformation within the smartphone industry, and have been an established participant in global smartphone ODM market for years, since entering the mobile phone industry in 2005. As mobile terminals continue to redefine the way people interact with the world, we are broadening our product portfolio across tablets, smart wearables and AIoT, addressing consumer's daily needs across various scenarios for smart products globally. In terms of global ODM shipments in 2024, we were the world's largest tablet ODM company and smart wearable ODM company, according to CIC.

- Building on our extensive experience in smartphone ODM and operational efficiency, we rapidly expanded into the laptop sector and quickly scaled up our shipments. As AI computing emerging as a primary focus for the future of the smart office environment, we are expanding our product portfolio across AI PC, desktops, AIO computers, printers and other related products.

- Benefited from strong business foresight, we entered the data center business in 2017 and have since developed a comprehensive digital infrastructure product portfolio spanning AI servers, general-purpose servers and switches. Capitalizing on the growing investments in computing infrastructure, we have become a key supplier to leading internet companies and CSPs in China, while actively expanding our reach to enterprise customers.

- We also actively pursue opportunities with respect to innovative smart products such as automotive electronics, software and robotics. By working closely with our customers to co-develop cutting-edge technology applications, we leverage our extensive experience across a broad range of smart products to support our customers in new product development, enabling them to capture emerging opportunities while unlocking new growth curves for our long-term business expansion.

Our platform and product capabilities are widely and highly recognized across the globe. As of December 31, 2025, our customers included major global industry players across mobile terminal brands, PC brands, CSPs and automotive manufacturers. The success of our customers continues to drive our business growth, further reinforcing our product and platform capabilities. We enhance our worldwide manufacturing and delivery capabilities by strategically expanding our global presence into Vietnam, Mexico and India.

Our Platform Capabilities

With over two decades of experience in smart product, we have accumulated and built our unique platform capabilities, giving us an edge in respect of our operations, development, manufacturing and mechanical components. Leveraging the platform's strengths in adaptability, synergy, and scalability, we can rapidly address customers' diverse needs, accelerate product innovation and iteration, and quickly expand our product portfolio. This enables us to capitalize on strategic growth opportunities and consistently deliver value to our customers.

Operation: Leveraging our global end-to-end digital and intelligent management system, we have established industry-leading capabilities in operational efficiency and global delivery. This system covers customer needs across the entire product lifecycle, including R&D, procurement, manufacturing and delivery, with real-time visualization at each stage. By integrating our intelligent manufacturing and logistics with a global delivery network that combines warehousing and distribution, we are able to optimize supply chains and manufacturing capacity dynamically. This approach not only enhances delivery efficiency under complex scenarios but also enables us to transform customer market insights into timely product delivery. In doing so, we help customers secure first-mover advantages in evolving markets.

Development: Our advanced technology development capabilities span R&D, implementation, portability, and efficient R&D management. We follow a customer-centric approach, leveraging multi-system architecture and integration expertise, enabling platform-wide R&D across diverse product categories. This allows us to continuously extend the boundaries of proprietary technologies and promote cross-utilization of core technologies, boosting R&D efficiency. We adopt an integrated product development (IPD) process which, according to CIC, is a commonly used industry methodology for concurrent, cross-functional product development, through which we enable concurrent, multi-product R&D and timely delivery. We have accumulated extensive system-level design experience and maintain strong investment in innovation. Our X-Lab focuses on cutting-edge technology research — such as acoustics, optics, thermal management, radio frequency, and simulation — enabling rapid product iteration through collaboration.

Manufacturing: As a leading smart product ODM platform, we maintain high standards in intelligent manufacturing quality and delivery efficiency. Our "multi-base manufacturing + flexible manufacturing and delivery" model incorporates automation, digitalization, efficiency, and sustainability, meeting diverse global customer needs with high efficiency and reliability. We enhance our worldwide manufacturing and delivery capabilities by strategically expanding our global presence into Vietnam, Mexico and India. With a self-developed intelligent manufacturing system tailored for ODM operations, we provide visual management of manufacturing lines, plan optimal manufacturing schedules dynamically, and track material usage for quality traceability. Our comprehensive quality management system ensures all products meet various quality standards across the world.

Mechanical: Mechanical component capabilities are essential to our core competitiveness. We have strong mold design and precision manufacturing capabilities. Through the acquisition of upstream precision mold suppliers, we improved our joint development capabilities, achieved cost-effectiveness and product competitiveness while safeguarding our core technology expertise. We are also committed to vertical integration of the industrial supply chain with our partners in core components for greater supply chain resilience and strategic synergies. On the other hand, through ongoing mergers and acquisitions, we continue to expand our product categories and customer base, strengthening our overall competitiveness across the globe.

Our Rich and Diverse Product Portfolio and Significant Market Opportunities

Mobile Terminals

Mobile terminals have been both the foundation of our strategic roadmap and a key driver of our steady business growth. We offer a comprehensive range of mobile terminal products, including smartphones, tablets and smart wearables.

Looking forward, the increasing AI adoption is expected to drive a new cycle of innovation for mobile terminals and continuously enrich product categories, significantly enhancing the intelligent interactive experience. According to CIC, total global shipments of smartphones, tablets and smart wearables are expected to increase from 1,975.0 million units in 2025 to 2,321.4 million units by 2030, representing an increase of 346.3 million units. At the same time, platform-based ODM companies are improving their innovation and operation capabilities, fueling further ODM penetration. Notably, smartphone ODM penetration is expected to increase from 44.8% in 2025 to 55.0% by 2030, representing 225.6 million units incremental ODM shipments. As an industry leader, we are committed to delivering long-term value for global mobile terminal brands and we expect to expand our market share by capitalizing on growing product shipment and ODM penetration.

Computing and Data Center Business

In addition to fulfilling the global demand for mobile devices, we remain committed to expanding and diversifying workplace and digital productivity tools for users.

PCs

AI is reshaping the productivity tools people use in the workplace. According to CIC, the penetration rate of AI PCs is expected to increase from 31.0% in 2025 to 83.5% in 2030, and the corresponding shipments of AI PCs are expected to increase from 63.8 million units in 2025 to 193.7 million units in 2030, with a CAGR of 24.9% during the same period. Drawing on our extensive expertise in mobile terminals, we have built core capabilities around laptops, including industrial design, intelligent hardware-software integration, high-computing power adaptation, cross-device collaboration, and multi-screen connectivity, continuously deepening our understanding of the multi-platform system architecture. Our mature mass production strengthens our position as we seize growth prospects from product upgrades.

According to CIC, global ODM shipments of laptops are expected to increase from 167.1 million units in 2025 to 193.0 million units in 2030, of which the ODM shipments of laptops in China as percentage of the total global ODM shipments of laptops is expected to increase from approximately 11% in 2025 to nearly 25% by 2030. Among the global top five laptop ODM companies, we recorded the highest CAGR of ODM shipments of laptops from 2022 to 2024, according to CIC. As the largest laptop ODM company in Chinese Mainland in 2024, our strengths in integrated product development, hardware and software leadership, intelligent manufacturing, and efficient operations with synergies position us to further grow our share in the global laptop ODM market.

Digital infrastructure products

Driven by the rise of AI data centers and the increasing demand for next-generation computing infrastructure in the era of AGI, we have positioned ourselves as one of the few domestic providers with both server and switch technology capabilities.

Our server offerings feature advanced technical architecture, compatible with mainstream GPU and CPU platforms, delivering intelligent computing capabilities characterised by high data rate, large bandwidth, low latency, and high reliability. These servers incorporate advanced technologies, such as network, liquid cooling, high-efficiency power supplies, and integrated hardware-software systems, thereby fully supporting high-performance computing scenarios. Our switch products provide high-speed connectivity solutions ranging from 100G to 800G. Leveraging modular architecture and a unified control platform, our switches enable flexible expansion and ultra-low latency, efficiently meeting the requirements of large-scale networking deployments.

The rapid advancement of AI applications is driving sustained growth in computing infrastructure investment. According to CIC, the global market size of digital infrastructure is projected to grow from RMB3,467.2 billion in 2025 to RMB10,245.2 billion by 2030, representing a CAGR of 24.2%. For customized solutions for CSPs, data center products are subject to more rapid technological upgrades and increasing requirements for computing performance. For enterprise-grade solutions, data center products are required to be tailored to meet customers' complex and varied workload needs. Leveraging our strong technological foundation and global supply chain ecosystem, we are able to respond quickly to customer demands for both high-performance and highly customised solutions. Through efficient operations, cross-platform R&D, and robust cluster adaptation capabilities, we deliver end-to-end solutions to customers, capturing significant opportunities amid the rapid growth of data infrastructure products in the AI era.

AIoT Products

Under the development trajectory of the IoT, the integration of AI with IoT technologies is rapidly advancing the adoption of AIoT hardware. To continuously meet diverse product needs of consumers, we have built a robust AIoT product portfolio covering gaming hardware, smart home and XR products, bringing a comprehensive intelligent living experience to billions of consumers worldwide.

Advances in cutting-edge technology are delivering more immersive interactivity and improved content display on AIoT products, which is in turn increasing global demand of such products. In the XR and smart home sectors, according to CIC, the global market sizes of XR and smart home products industries are expected to achieve CAGRs of 27.7% and 10.3% respectively from 2025 to 2030. Our long-term focus and deep experience in AIoT position us to capture the growth opportunities emerging in this expanding market.

Innovative Business

We maintain a strong commitment to product innovation, continuously investing in automotive electronics, robotics, software, smart industrial products and other emerging sectors where we have already achieved notable progress. In automotive electronics, we have established a development and manufacturing platform that meets rigorous automotive-grade standards, covering hardware, software, interaction, and testing. Our achievements include successful shipments in smart cockpit systems, display screens, and intelligent driver assistance products. Within robotics, our product offering has expanded from robotic vacuum cleaners to general-purpose robotics. The rich data generated from our various in-house manufacturing scenarios supports the continuous improvement of our industrial robot products and enables effective cross-application integration. We also hold strong expertise in integrated software development across different platforms, operating systems, and products, according to CIC. By customizing our solutions to customer needs, we continually explore new business growth curves, building a mutually beneficial hardware-software ecosystem. In 2023, 2024 and 2025, our revenue from the innovative business achieved year-on-year growth of 32.9%, 91.9% and 121.0%, respectively, reflecting rapid growth momentum.

In the field of automotive electronics, the accelerating transformation towards smart vehicles drives increased consumer demand for systems such as intelligent driver assistance, smart cockpits, and connected vehicle services. According to CIC, the total market size of global automotive electronics and robotics is expected to increase from RMB3,774.4 billion in 2025 to RMB6,036.0 billion in 2030, with a CAGR of 9.8%. The maturation of general AI technologies and large language models has enhanced the perception, decision-making, and interaction capabilities of robotics, and the demand for automation solutions across industrial, logistics, security, and other application scenarios also promotes the commercialization of humanoid robots.

OUR STRENGTHS

Technology-driven Smart Product Platform

We are a technology-driven platform, specializing in smart products, providing end-to-end integrated solutions for the R&D, design and manufacturing. Drawing on over 20 years of in-depth experience in smart product and the strength of our unique platform capabilities, we deliver highly efficient services across every key stage of the value chain — from product definition and development to mass production. According to CIC, we are recognized as a global leading full-stack smart product ODM platform, ranking first worldwide in several product categories.

The three core competitive advantages of our platform capabilities are adaptability, synergy, and scalability. Our flexible, high-quality and efficient solutions enable us to respond rapidly to diverse customer needs and deliver high-quality products for customers worldwide, empowering their business growth. Through deep collaboration with leading global brands, we create long-term value together. We enhance R&D efficiency by integrating closely across product lines, application scenarios, and the value chain, enabling swift technology portability and reuse. Our platform scalability enables swift adaptation and upgrade of our products, allowing us to expand our product offerings and effectively adapt our technologies for new products and application scenarios. As a result, we are able to seize new market opportunities.

Over the last 20 years, we have expanded our business from smartphones to include mobile terminals, computing and data center business, AIoT, and innovative business, and have consistently maintained leadership positions across multiple smart product categories, according to CIC: (i) in terms of cumulative ODM shipments of smartphones from 2020 to 2024, we were the world's largest smartphone ODM company, with a market share of 25.2%; In terms of global ODM shipments of smartphones in 2024, we were the world's second largest smartphone ODM company, with a market share of 25.9%; (ii) in terms of ODM shipments of laptops in 2024, we were the world's fourth largest laptop ODM company, achieving the fastest shipment growth among the top 5 laptop ODM companies from 2022 to 2024, with a market share of 9.6% in 2024; (iii) in terms of ODM shipments of tablets in 2024, we were the world's largest tablet ODM company, with a market share of 37.9%; (iv) in terms of ODM shipments of smart wearables in 2024, we were the world's largest smart wearable ODM company, with a market share of 18.7%; (v) in terms of total revenue from digital infrastructure business in China in 2024, we ranked sixth among all digital infrastructure providers in China, with a market share of 5.0%;

Highly Competitive and Diversified Product Portfolio

We established a highly competitive product matrix, positioning us as one of the world's most comprehensive smart product ODM platforms. Leveraging our experience and capabilities in mobile terminal ODM, we have rapidly expanded into computing and data center businesses, providing key products such as laptops and servers to capture growth opportunities arising from advances in AI. Furthermore, with the evolution of IoT and the increasing adoption of automotive intelligence and embodied AI, we have further expanded into innovative businesses including automotive electronics, robotics, software and smart industrial products.

Continuous expansion of our product portfolio has not only broadened our business scope, but also helped us accumulate industry insights. In addition, it enabled us to acquire advanced technologies, manage our operations efficiently and accumulate extensive customer service experience to further deepen our competitive moats. As our customers expand into new businesses, our established experience helps us secure orders in emerging product categories. We remain dedicated to monitoring industry trends, actively expanding our product offerings, and partnering with customers to help them capitalize on new market opportunities and accelerate the development of their new business segments.

Our diversified product portfolio reduces the reliance on any single business segment, enhancing our resilience to broader industry cycles. As a result, revenue generated from segments of our computing and data center business and AIoT as a percentage of our total revenue rose from 41.4% in 2023 to 48.6% in 2025, alongside strong growth of our mobile terminal business. Our enriched product portfolio has unlocked new growth opportunities, such as our growing presence in automotive electronics, robots, software and smart industrial products, underpinning the long-term sustainability of our development.

Fostering a Prosperous and Diversified Ecosystem with Large Global Customers

Leveraging our outstanding platform capabilities, we serve a thriving ecosystem of customers encompassing the world's leading mobile terminal brands, personal computer brands, CSPs, and automotive manufacturers. According to CIC, as of December 31, 2025, we had established business partnerships with nine of the world's top ten smartphone brands, four of the world's top five tablet brands, four of the world's top five smart wearable brands, and four of the world's top six PC brands. In 2023, 2024 and 2025, revenue from overseas sales consistently accounted for over 50% of our total revenue in each period, with sales extending to Asia, North America, South America, Europe, and Africa. Our diversified customer base supports a well-balanced revenue mix and enhances the resilience of our business growth.

Our proven track record of consistent high-quality and efficient delivery has enabled us to win the deep trust of our customers and establish long-term strategic relationships. Our seamless synergy across product lines and the effective portability of technologies enables us to broaden multi-category collaborations with existing customers. For example, our collaboration with a leading consumer electronics brand started with smartphones and expanded to tablets and laptops and has further broadened to smart wearables, speakers and automotive electronics. We continue to deepen cooperation with our customers. Leveraging our high-quality products and ongoing technological advancement, we further expanded our collaboration to include flagship products as well as multiple AIoT products, achieving deeper integration with the customer.

Through close collaboration with leading global customers, we continue to gather valuable product feedback fostering a virtuous cycle of foreseeing demand, responding swiftly, delivering efficiently, enhancing customer value, and strengthening customer loyalty. In the meantime, our deep understanding of customers' strategic priorities and emerging technology trends drives our forward-looking research and proactive investment in new fields, positioning us at the forefront of market developments and allowing us to capture opportunities promptly. We support our customers' sustainable growth while advancing our own long-term development, establishing a mutually beneficial ecosystem founded on shared success and continuous advancement.

Industry-Leading Full-stack R&D and Product Innovation Capabilities

We have proactively amassed a comprehensive suite of core technologies spanning R&D design, manufacturing, quality control, and supply chain management, enabling us to maintain an end-to-end presence from technical pre-research to mass production and achieve rapid commercialization. As of December 31, 2025, according to CIC, we are the only smart product ODM platform in the world with proven design capabilities in both x86 and ARM architectures realizing revenues over tens of billions RMB through offerings with each architecture. As of the same date, we are also among the few ODM companies with fully integrated hardware, software, and mechanical component development capabilities, according to CIC. For example, our RF system design capabilities enable outstanding signal transmission quality and enhanced anti-interference performance for smart products. In addition, we have the capability to independently develop and manufacture mechanical components, which contribute to approximately 45% of our in-house demand of smartphone structural parts. See "— Our Technology" in this section.

Our strong technical and innovation capabilities have enabled us to possess industry-leading core technologies across multiple business segments, ensuring the efficient introduction of new products, as well as fulfilling customer requirements for products with high performance, quality, and efficiency. For instance, in terms of mobile terminals, we have made breakthroughs in terms of dual-system architecture solutions for smart wearables, advanced antenna technologies, sensor fusion algorithms, and comprehensive waterproofing processes. In terms of computing and data center business, we have developed cost-effective smart antennas, wireless cameras, enhanced thermal management technologies, and lightweight casing designs.

We have outstanding R&D efficiency. Our technical committee leads strategic oversight to ensure the effective execution of our strategy to maintain technological leadership. We centralize the allocation of R&D resources and facilitate cross-department collaboration, rigorously manage all stages from technical research to product development, leading to our rapid breakthroughs in key technologies. We have established a comprehensive end-to-end IPD process, covering every stage of the product life cycle including concept definition, development, design, testing and verification, and mass production. By adopting a parallel development model, we further streamline overall processes, accelerate product development and enhance our ability to quickly respond to market demand. In addition, we have widely adopted AI tools in R&D, such as R&D assistance analytical system and intelligent code review platforms, which help digitalize our accumulated R&D and engineering experience, holistically improving the research quality and efficiency and strengthening our ability to innovate rapidly and reliably.

We remain steadfast in R&D investment to maintain our technological leadership. As of December 31, 2025, we held approximately 3,500 registered patents, and approximately 2,100 registered software copyrights. As of December 31, 2024, according to CIC, we were recognized as the Chinese smart products ODM company with the largest number of registered patents. In terms of capital investment, our cumulative R&D expenses reached approximately RMB16.1 billion between 2023 and 2025. In addition, as of December 31, 2025, we had over 19,900 R&D personnel, representing nearly 30% of our total workforce, thereby establishing a robust talent base with deep expertise across key technology areas. In addition, by focusing on research and innovation in frontier technologies through our X-Lab, we are well positioned to capture potential development trends of the industry and product evolution. We also actively promote an open innovation ecosystem, collaborating with leading domestic universities to jointly develop frontier technologies and facilitate the transformation of fundamental research into industrial applications. Furthermore, we collaborate with partners throughout the industry value chain to innovate and establish industry standards.

High-quality and Efficient Intelligent Manufacturing and Global Delivery Capabilities

We have extensive intelligent manufacturing capabilities and are among the earliest Chinese ODM companies to implement large-scale intelligent manufacturing systems, according to CIC. Our high product quality is widely recognized as evidenced by multiple quality awards from global customers including Lenovo, OPPO, vivo, Samsung and Xiaomi. See "— Awards and Recognitions" in this section.

We have accumulated extensive project expertise in industrial engineering, equipment engineering, and test engineering within the intelligent manufacturing space. We developed our intelligent manufacturing capabilities with automation, digitization, efficiency and sustainability.

- Automation: As of December 31, 2025, we maintain a dedicated automation equipment technology team of over 500 personnel focusing on the independent R&D and innovation of automation technology, with more than 20% of the self-developed automation equipment used in our complete device manufacturing, assembly and packaging. According to CIC, we have achieved industry-leading automation level of our manufacturing line. Notably, our SMT line achieves an automation rate of 96%, while the automation rate for our assembly, testing, and packaging lines reached 55%, as of December 31, 2025.

- Digitalization: We have independently developed an industry-leading digital management system for manufacturing according to CIC. This system enables holistic real-time monitoring and intelligent scheduling across our manufacturing bases, automatic collection of key data of manufacturing lines, and dynamic optimization of manufacturing scheduling and logistics solutions. As a result, we have significantly reduced manual intervention and costs during the manufacturing process, and have notably improved manufacturing efficiency, capacity utilization, and unit energy consumption. In addition, the system enables real-time integration with the digital platforms for R&D, supply chain and delivery, enabling efficient end-to-end information sharing, collaboration and traceability.

- Efficiency: We are committed to enhancing manufacturing efficiency by adopting lean manufacturing line design, establishing standardized workstations for different product categories, and introducing a variety of precision jigs and fixtures enhancing and enabling low cost intelligent automation. These measures ensure our manufacturing process is cost-effective, efficient, stable, with consistent quality and flexible manufacturing capabilities.

- Sustainability: We firmly follow the green and low-carbon principles, focusing on reducing energy consumption and carbon emissions as well as integrating clean energy solutions throughout our operations. In product development, we continuously pursue green design principles to optimize product performance and energy efficiency, minimizing the environmental impact across the entire product lifecycle, providing customers with more environmentally friendly product designs and solutions.

We possess industry-leading vertical integration capabilities, according to CIC. Through sustained R&D investment for mechanical components and the strategic acquisition of upstream precision mold suppliers, we have strengthened our capacity for integrated precision mold development and amassed advanced expertise in mold design and precision manufacturing, significantly enhancing our product quality consistency, cost management, and supply chain resilience, as well as manufacturing efficiency and product quality.

We plan our global capacity in advance to enhance our business resilience and capability to deal with external uncertainties. Domestically, we operate major manufacturing centers in Nanchang and Dongguan. Internationally, we have built a manufacturing network in Vietnam, India, and Mexico. This structure enables flexible, unified manufacturing planning and allows us to efficiently fulfil global customer orders, further solidifying our global delivery capabilities. According to CIC, we are one of the first Chinese ODM companies to establish fully integrated local service capabilities overseas.

Leveraging our leading intelligent manufacturing capabilities, as well as generalized, standardized and modular manufacturing line organization, we are among the few smart product ODM companies that are able to combine large-scale mass production with flexible, small-batch manufacturing across multiple product categories. Our manufacturing lines support mixed manufacturing and rapid changeovers, significantly enhancing manufacturing efficiency. As our business continues to diversify, this robust flexible manufacturing capability enables us to adapt quickly and respond promptly to various customer demands. In addition, we maintain a sophisticated, high-standard quality control system to ensure that our products and services consistently meet the requirements of customers globally.

Comprehensive and Expanding Global Operations

Operational efficiency underpins our core competitive advantage in an intensely competitive market. Through full-process digital management, our global supply chain network, and robust collaboration mechanisms, we have established a highly efficient global operating system and achieved high operational standards.

We have developed an advanced global supply chain system that enhances efficiency throughout the process, from sourcing materials to final delivery. Our structured, tiered supplier management system enforces rigorous procurement standards, supporting a vast network that spans thousands of raw material types and suppliers. This enables lean management across procurement, inventory, and quality assurance, and ensures reliable, cost-effective and high-quality product delivery. Our dedicated "Glocalization" team fosters close collaboration with suppliers, effectively ensuring the professionalism and efficiency of product selection, and improving both the timeliness and stability of component supply.

Digital transformation is central to our operational performance. Our proprietary digital management system enables end-to-end intelligent control, taking customer requirements into consideration and integrating R&D, supply chain, manufacturing, delivery, and full lifecycle management. For example, our digital platform allows precise requirement analysis and swift transmission to R&D, enabling rapid response to changes in market demand. Our self-developed IBP system dynamically optimizes material planning, allocation and procurement under the MRP model, significantly strengthening global supply chain coordination and cost efficiency. Real-time monitoring of global factory operations enables accurate collection of specific data across all manufacturing lines and nodes, and agile adjustment of manufacturing schedules for optimal capacity utilization. See "— Digitalization" in this section. These digital tools substantially improve data consistency, traceability, and decision-making efficiency across our operations, contributing to our efficient operations and large-scale delivery. We also employ AI throughout our operations to drive predictive analytics, automated decision-making, and seamless digital collaboration, which further optimizes the research-manufacturing-supply-marketing chain and injects innovation into our international operations.

Our integrated approach to internal and external collaboration further enhances efficiency and response speed. Internally, our "research, manufacturing, supply and marketing" system integrates our intelligent manufacturing centers and R&D centers, improving coordination from product design through delivery. The R&D teams can quickly respond to market needs and optimize design solutions in real time together with the manufacturing team, while the manufacturing center leverages a complete supply chain system to significantly improve inventory turnover efficiency. This model shortens the time needed from development to the delivery of the product, supports faster iterations and flexible customization, and increases technical support efficiency. Externally, we actively promote vertical integration along the supply chain. Through such vertical integration, we have achieved complementary advantages in key components and other fields and deepened the synergy effect of the industrial chain. Through this efficient operation mechanism of internal and external coordination, we can effectively improve comprehensive competitiveness of our products.

Experienced and Visionary Management Team and Strong Organizational Capabilities

Our core management team is highly professional and experienced with global vision. Our founder, Mr. Qiu, exemplifies strategic foresight and vision. Since our establishment in 2005, he has navigated our Company through multiple pivotal industry transitions, shaping our long-term strategic direction. Alongside our four co-founders — whose operational commitment in the past two decades has driven the practical execution of corporate strategy — we have achieved significant milestones. Their leadership has transformed us from an IDH player into an innovative, technology-driven smart product platform with diversified product portfolio. We are awarded as Fortune China Top 500 and Fortune China Tech Top 50, reiterating our position as a global industry leader. See "— Awards and Recognitions" in this section.

As we continue to scale up, we develop an agile, effective and empowering organizational system to foster long-term growth, which is grounded by our core values "Customer Success, Embrace Change, Integrity, Collaboration, Innovation and Professionalism." We adopt a management strategy of "small HQ, big BG (小集團,大BG)," which implies a streamlined headquarters structure. We focus on strategic decision-making and centralized resource integration, while empowering business groups and front-line teams with substantial flexibility. This structure enables scalable platform capabilities across supply chain, manufacturing and digitization, empowering business groups to enhance their expertise, abilities to address customer needs, and foster synergy across the organization. Strategy and execution are tightly aligned through comprehensive, closed-loop management systems covering strategy formulation, goal setting and implementation across all business groups and functions. This ensures high levels of collaboration and adaptability, allowing us to efficiently manage an enriched, evolving product portfolio and to serve leading global customers effectively. Our effective and replicable organizational system also facilitates seamless integration and management of target companies in the context of mergers and acquisitions, accelerating synergy realization and reinforcing our long-term competitiveness.

OUR STRATEGIES

Building upon our proven track record of delivering strategic objectives and achieving business breakthroughs, we are committed to long-termism with strategic focus and foresight. We will sustain our long-term investment in developing our core platform-based capabilities, further strengthening the competitive moats around our unique platform capabilities. Looking ahead, we plan to expand our full-stack product coverage across various business segments, including mobile terminals, computing and data center business, AIoT and innovative business. In addition, we will further expand our global presence, continuously enhancing our comprehensive capabilities in global operations, intelligent manufacturing, supply chain management and delivery.

To Advance the "3+N+3" Strategy to Expand our Coverage across Ecosystem and Value Chain

We will continue to advance our "3+N+3" strategy, driving upgrades to our core product ecosystem and further incubating full-stack solutions across diverse product categories.

For each smart product category, we will effectively adopt the joint approaches of broadening our product ecosystem both vertically and horizontally, along with the expanding business ecosystems of our customers and capturing emerging technologies and market demands. Leveraging our established trust and long-term partnership with large global customers, we will timely identify and promptly meet their dynamic needs of products and services, catering to their evolving, ecosystem-oriented, and premiumization business development trends. This approach will enable us to continuously enrich and upgrade our portfolio while increase our market share as ecosystems of our customers grow. Meanwhile, we will effectively leverage and migrate our leading R&D and manufacturing capabilities developed across our core product categories, to capture new business opportunities driven by technological advancements and shifting consumer preferences and support the horizontal expansion of our product portfolio and ecosystem. Amid the rapid evolution of AI technologies and rising computing demands, we will also increase investment in system integration of hardware and software, and capabilities across multiple systems and architectures, significantly enhancing the competitiveness of our full-stack digital infrastructure solutions and reinforcing our market leadership. In addition, we remain committed to deploying advanced technologies in verticals and markets with high growth potential and achieving rapid commercialization and expansion of our innovative business.

We will continuously iterate our "3+N+3" strategy, expanding our smart product ecosystem across multiple business areas. At the same time, we intend to proactively invest in new verticals with high growth potential, and broaden coverage across product categories and use cases of our smart product platform, consistently exploring new growth curves.

Continue to Enhance Value-creating Capabilities for Customers to Retain and Expand our High-quality Customer Base

We are committed to facilitating our customers to consistently create value. For existing customers, we will strengthen long-term cooperation and engagement across various aspects with top-tier quality customers as their ecosystems grow. We aim to enhance our understanding of our customers' strategies as well as proactively develop our R&D and product innovation capabilities, to expand both hardware and software offerings for our customers, addressing their evolving and diverse needs across business lines, delivering more value-add to our customers and capturing more wallet share. Furthermore, we will further holistically enhance our capabilities in R&D, supply chain management and intelligent manufacturing, to accelerate our response to customer needs and feedbacks, improve the quality of our differentiated and customized services, extend our end-to-end service and delivery capabilities with enhanced flexibility, quality and efficiency, thereby boosting customer loyalty.

We intend to expand our reach to new, high-quality customers focused on multiple aspects ranging from product categories to overseas markets and industries with high growth potential. For example, for PC business, we will further penetrate into more overseas recognized brands. For digital infrastructure, we will expand coverage of leading cloud services providers, as well as premium customers in verticals such as finance, transportation and healthcare. For automotive electronics business, we will continue to gain traction with mainstream automotive manufacturers.

Continue to Increase R&D Investment to Solidify Technology Leadership and Extend Growth Trajectory

As a leading ODM company in smart products, we are committed to continuously investing in our product-driven R&D capabilities focusing on both user and commercial value as well as product competence. Our R&D innovation framework encompasses fundamental and frontier technology research, pre-research at the business group level on common technologies, and implementation of customized technologies and product development enabling us to expand our leadership across multiple dimensions.

Through prospective research driven by our X-Lab, we will sustain long-term investment in fundamental technology R&D in areas such as acoustics, optics, thermology, radio frequency and simulation, as well as step up investment in design of technology architecture and hardware, and software development, establishing competitive edge in technologies. Our commitment extends to constant product innovation and enhancement of user experience. For example, we aim to dedicate resources to R&D initiatives in audio, thermal management, communications and product aesthetics to achieve technology breakthroughs. In addition, we are committed to overcoming critical technological barriers in emerging areas such as automotive electronics and robotics through continuous R&D efforts.

Additionally, we will expand partnership with top domestic and international universities and collaborate throughout the supply chain to actively foster an open, integrated innovation ecosystem.

Continue to Strengthen our Capabilities in Global Operations and Advanced Manufacturing

To drive comprehensive operational efficiency, we are consistently empowering our whole business processes through automation and digital transformation. Our ongoing investments in advanced equipment R&D, combined with flexible automated manufacturing capabilities, enable us to upgrade intelligent manufacturing modes, resulting in optimized automation rates of our manufacturing lines and enhanced overall manufacturing efficiency. To improve the competitiveness of our product offerings, we will also further solidify our edges in mechanical components manufacturing and upgrading techniques in complete set. We are actively integrating advanced technologies such as machine vision and AI to support manufacturing, supply chain management and quality control, enhancing our digital ecosystem. Regarding supply chain management, we focus on continuously enhancing supplier management and logistics efficiency, further upgrading an end-to-end digital supply chain management system. At the same time, we are optimizing quality management processes across the full product lifecycle to steadily improve our ability to control and improve product quality. We will uphold sustainable development principles by accelerating renewable energy adoption and advancing green manufacturing processes.

Our global manufacturing layout is further reinforced by the ongoing expansion and optimization of our overseas footprint and resilience of our supply chain. In regions such as Vietnam, India, and Mexico, we will, leveraging our existing financial resources, advance the ramp-up of existing overseas manufacturing bases and accelerate scale-up and localize supply chains, increasing flexibility in manufacturing. We will continue to explore new opportunities to broaden our global manufacturing network, which will be funded by our existing cash resources. Catering to evolving customer and supply chain requirements, we will reasonably expand and optimize worldwide production capacity to provide proximity-based services for key customers, improve delivery efficiency and strengthen our market leadership. In the meantime, to ensure stability and reliability of our supply chain, we will be focused on our assessment and ability to secure the supply of critical raw materials, enhance partnerships with top-tier global suppliers and further strengthen a resilient upstream and downstream ecosystem.

To Enhance Vertical Integration and Further Pursue Horizontal Expansion

Within our core businesses, we will promote vertical integration through the acquisition and strategic minority investments of high-quality targets in areas such as mechanical components, thereby expanding the depth of our businesses vertically. These initiatives will strengthen our in-house R&D, enhance our control over critical technologies across both complete devices and mechanical components, and bolster the competitiveness of our end products. We also aim to increase self-sufficiency in the supply of key materials, ensuring supply stability, optimizing manufacturing and supply chain management efficiency, and enhancing our cost-effectiveness. Meanwhile, we will further penetrate into mechanical components business to better serve our customers and expand our scale. Through the effective integration of acquired assets leveraging our efficient organizational management, we will be able to achieve optimized business synergies and reinforce our leadership in core businesses.

In parallel, we will pursue horizontal investment opportunities in emerging business sectors to accelerate overall development and explore new growth curves. We will continue to expand into overseas markets and introduce new product lines, actively focusing on high-growth areas such as automotive electronics and robotics, while continuously broadening our capabilities and enriching our ecosystem.

Continue to Improve Talent and Organizational Management System

We are committed to long-term investment in our talent and organizational management system to ensure the sustainable development of the Group in the long run.

We will continuously upgrade our management talent training and retention mechanism. Our approach includes nurturing a strong pipeline of versatile, platform-oriented management professionals through initiatives such as tiered talent progression and cross-function and team rotations, to systematically cultivate leadership talents across all areas, and support our long-term business growth. We will also consistently strengthen talent training and empowerment system, optimize compensation packages and incentive mechanisms, and encourage innovation in management, business development and technology, maintaining our attractiveness to excellent talents to realize mutual growth for employees and the Company.

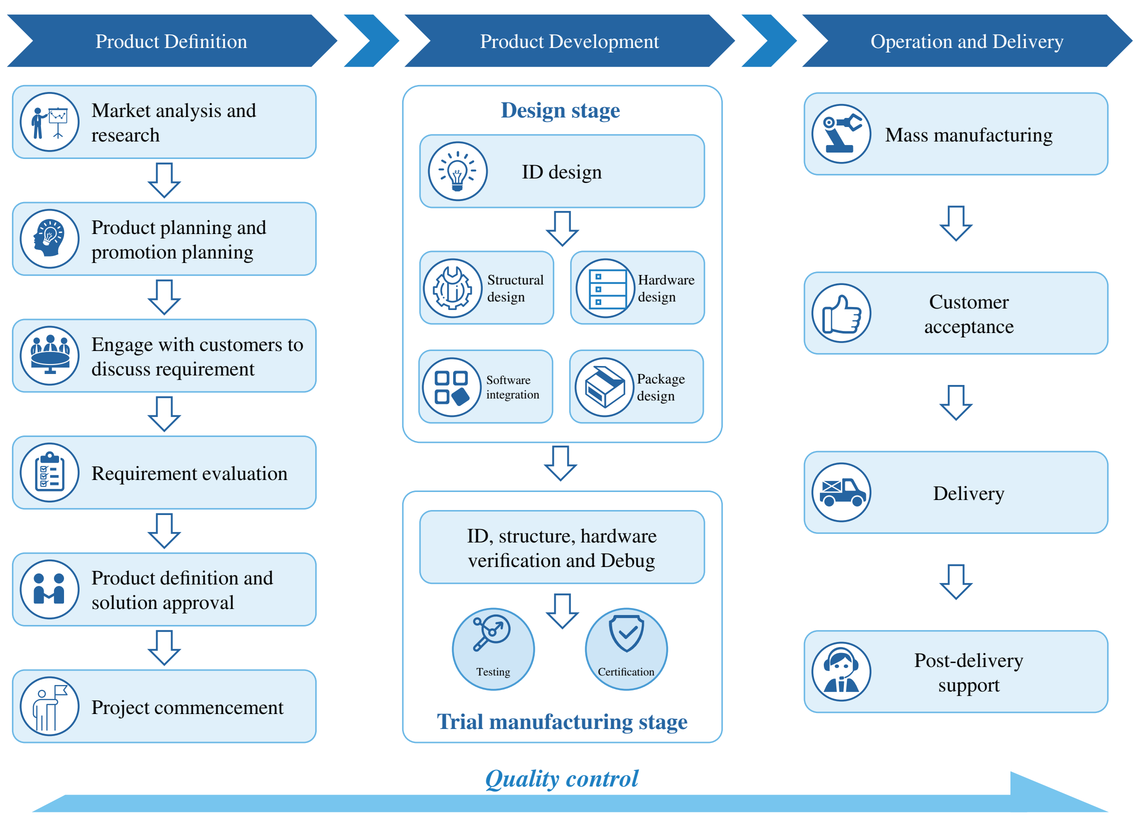
From the talent supply perspective, we will actively advance our internationalization strategy by recruiting talents in overseas markets and prioritizing those with global vision to enrich our international talent pool. Meanwhile, we will continue to implement the "Young Sequoia" (小紅杉) programme for new graduates hire to embrace young generation and foster innovation within the organization. We will also continue to recruit high-end critical talents across various fields.

We are also dedicated to enhancing our lean organizational management, optimizing our management structures and improving the allocation and coordination of internal resources. We will continually develop our digital management capabilities to ensure the ongoing competitiveness of our organizational management system.

OUR BUSINESS MODEL

We have developed an end-to-end, diversified, and sustainably evolving ODM business model, focused on delivering long-term value to our customers. We achieve this through deep engagement across the entire product lifecycle — from product definition to operation and delivery. Our business model is underpinned by ongoing technological advancement, effective partner collaboration, and advanced digitalization of core processes. This approach enables us to deliver high-quality smart products at scale, aligned with our customers' evolving needs.

Comprehensive value chain coverage: Our operations span all key stages of the value chain, including product definition, product R&D and design, supply chain management, quality control, manufacturing management, operations and delivery. At the product definition stage, we work closely with customers to shape market demand into practical product concepts. We provide market analysis and technical insight to help define product features, performance targets, cost objectives and launch timelines, supporting customers' approval of product proposals. Once the initial proposal is agreed, we prepare detailed technical plans, select components, create project schedules, and coordinate with suppliers to ensure timely development. In the product R&D and design stage, we take responsibility for engineering across hardware, software, and mechanical aspects and work with customers at major design milestones. Across these stages, we deploy a broad set of technical competences, such as hardware design, module adaptation, software development, component integration, system testing, certification and large-scale manufacturing. By integrating these capabilities across the ODM process, we are able to deliver high-quality products efficiently while continuously driving innovation.



Integrated product development: We have implemented IPD process model to support effective execution and cross-functional integration. Following the IPD process, our product development process consists of seven phases including (i) strategic planning, (ii) conceptualization, (iii) initiation preparation, (iv) design, (v) verification, (vi) mass production and product launch, and (vii) post-launch management. Throughout these phases, cross-functional teams, including product, R&D, finance, supply chain, quality control, operations and customer services, collaborate from initial concept through to post-launch management. This unified approach accelerates innovation, strengthens risk management, and ensures that technical activities are closely aligned with our business objectives.

Diversified market presence: Leveraging our diverse product portfolio, our customer base is diverse and global, including well-known mobile terminal brands, personal computer brands, CSPs, and automotive manufacturers, both in China and internationally. This diversification strengthens our risk resilience and adaptability across different industries and application scenarios.

Sustainable evolution and innovation: We are dedicated to product development and technology innovation, investing in the resolution of critical technology challenges. Meanwhile, we continually advance automation, intelligence and digitalization throughout our manufacturing processes. Our global, resilient supply chain management underpins consistent delivery performance. In addition, we have achieved vertical integration with leading manufacturers of molding and mechanical components, enhancing both our capacity for innovation and our degree of control over key components. These strategies enable rapid product iteration and reliable delivery of high-quality products.

Range of delivery models: During the Track Record Period, ODM represents our main business format and source of revenue. Building on our ODM expertise, we provide solutions capable of covering the entire value chain as needed, tailored to customer requirements. This flexible approach enables our customers to access a broad range of offerings that strengthen their competitiveness. To address the various needs of customers and markets, we offer a range of delivery models:

- **Product sales:** Our operations primarily focus on end-to-end delivery of complete devices. Additionally, we provide products in partly or fully disassembled form to satisfy customer needs.

- **Software and technical service delivery:** We provide software services across multiple sectors to address industry-specific requirements. We also provide technical services, including maintenance and after-sale services.

OUR PRODUCTS

Guided by our strategic product matrix, we have established a comprehensive and dynamic smart product platform, offering a broad and continuously evolving portfolio of smart products and technology solutions to customers worldwide covering mobile terminals, computing and data center business, AIoT and innovative business.

Our Smart Product Portfolio

The following table sets forth the breakdown of our revenue by business segment, both in absolute amounts and as percentages of our total revenue, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Mobile terminals	48,039,458	56.3	51,035,492	46.4	80,209,938	46.8
Computing and data center business	33,691,401	39.5	49,677,701	45.2	75,475,018	44.0
AIoT	1,633,586	1.9	4,672,515	4.3	7,884,923	4.6
Innovative business	821,269	1.0	1,576,356	1.4	3,483,787	2.0
Others[(1)]	1,152,770	1.3	2,915,923	2.7	4,383,261	2.6
Total	**85,338,484**	**100.0**	**109,877,987**	**100.0**	**171,436,927**	**100.0**

Note:

(1) Others primarily includes sales of materials and scrap.

Mobile Terminals

Smartphones

With 20 years of experience in R&D and design, we have made smartphones one of our core product categories and the foundation of our product strategy. Our offering covers a wide spectrum of smartphone products, spanning multiple price tiers, form factors, usage scenarios, and chipset platforms. Our long-standing expertise enables us to cater to a diverse range of global brands. As of December 31, 2025, we had established business partnerships with nine of the world's top ten smartphone brands. According to CIC, in terms of the cumulative ODM shipments of smartphones from 2020 to 2024, we were the world's largest smartphone ODM company, with a market share of 25.2%; in terms of global ODM shipments of smartphones in 2024, we were the world's second largest smartphone ODM company, with a market share of 25.9%.

Driven by ongoing investment in advanced technologies and a commitment to enhancing device performance, our smartphone portfolio combines technical innovation with practical value. Highlights across our range include adaptability, leading design and intelligence:

- *Flexible chip adaptation:* We offer deep expertise across leading chipsets, such as Qualcomm Snapdragon 8-series, enabling tailored integration and performance optimization for flagship, mid-range, and entry-level devices.

- *Enhanced connectivity:* We have developed and certified 5G millimeter-wave smartphones with major global operators.

- *Miniaturization and lightweight designs:* We have extensive experience in engineering lightweight, compact smartphones, as well as incorporating high-capacity batteries for extended usage.

- *Advanced durability:* Our proprietary, cost-effective IP69-rated water and dust resistance design supports high-grade protection across multiple product tiers, including entry-level models.

- *Innovative form factors and optimized PCBA design:* We continue to invest in R&D for foldable and multi-form smartphones, keeping pace with the latest trends in product design and usability. Our expertise in three-stack printed circuit board assembly design and manufacturing enables more compact device architecture and greater reliability.

- *Integrated AI functionality:* We deploy advanced AI applications to enhance user experience and enable innovative, data-driven applications.

Tablets

We provide a comprehensive portfolio for tablets, designed to meet diverse requirements for form factors, performance and application scenarios. Our tablet offering spans a wide spectrum, from entry-level and mid-tier consumer devices to high-end flagship models, as well as tablets tailored for education, gaming and office environments. We provide products in multiple sizes and formats, supporting Wi-Fi, 4G, and 5G standards. As of December 31, 2025, we had established business partnerships with four of the world's top five tablet brands. According to CIC, in terms of ODM shipments of tablets in 2024, we were the world's largest tablet ODM company, with a market share of 37.9%.

Our tablet product innovations are driven by a focus on both cutting-edge technology and enhanced user experience. Key advancements include:

- *Cost-effective antenna solutions:* Our proprietary antenna solutions enable stronger, more stable signals with reduced cost. This provides excellent wireless performance while offering commercial advantages in large-scale manufacturing.

- *Ultra-slim flagship designs:* We deliver high-standard dimensions, exemplified by a 13-inch LCD tablet with an ultra-slim 5.96-millimeter profile and a lightweight 578-gram design, redefining the benchmarks for thinness and portability.

- *Triple-band Wi-Fi concurrency:* Our triple-band Wi-Fi technology substantially accelerates data transfer speeds and strengthens connection stability, optimizing the experience for demanding applications such as gaming and real-time collaboration.

- *Enhanced thermal management:* We integrate superconducting thermal materials over 40,600 square millimeters, enabling sustained high-frame-rate performance during intensive gaming or professional workloads, preventing thermal throttling and ensuring consistent user experience.

Smart Wearables

Capitalizing on the growing demand for smart wearables in daily life, and leveraging our capabilities in R&D and smart product design, we provide a broad spectrum of smart wearable, including smart watches, smart bands and audio products. We have established strong partnerships with well-known global brands. As of December 31, 2025, we had established business partnerships with four of the world's top five smart wearable brands. According to CIC, in terms of ODM shipments of smart wearables in 2024, we were the world's largest smart wearable ODM company, with a market share of 18.7%.

Our smart watches and smart bands support various sports and health monitoring scenarios, and enable seamless connectivity with mobile phones, earphones and other smart devices. Our products are equipped with advanced features such as health and fitness tracking, waterproof and dustproof designs, and integrated voice assistants, tailored for both active lifestyles and daily well-being management. In addition, we have developed an exclusive system featuring a proprietary software framework that integrates dual chips (a main system-on-chip and an auxiliary microcontroller), dual operating systems (Wear OS and RTOS), and dual usage modes (smart and power-saving), improving power efficiency and achieving longer battery life. Through leading-edge component selection, ergonomic industrial design, and the integration of proprietary algorithms, such as heart rate, blood oxygen monitoring, and AI-powered user insights, our products support reliable performance. We have built strong capabilities in both hardware and software development, enabling seamless cross-platform compatibility and device interoperability. Through optimization from user interface to interaction logic and proprietary algorithms, we achieve industry-leading battery performance, supporting typical usage up to 15 days for smart bands and 14 days for smart watches, with specialized models attaining up to 22 days.

Our audio products, including TWS earphones, open-ear earphones and over-ear headphones, are designed for diverse scenarios such as daily communication, sports and fitness, as well as office work. Each product is designed to integrate efficiently with smartphones, tablets and other smart devices, supporting multi-device connectivity. Our audio products deliver industry-leading ANC, offering up to 55 dB noise reduction at 5 kHz for flagship in-ear models and 42 dB at 5 kHz for semi-in-ear designs. To support comfortable, extended wear, we use lightweight, ergonomic constructions and leverage user data to refine product contours, ensuring a secure and personalized fit.

Computing and Data Center Business

We provide products under our computing and data center business, encompassing PC products and digital infrastructure products. We group these two product categories together as the development of our data center business has benefited from the reuse and migration of technologies from our computing business. The two product lines shared certain technical roadmaps, R&D approaches, supply chain resources and testing equipment.

PCs

As one of our core product categories, our PC portfolio includes laptops, desktop computers, AIO computers, printers, monitors, docking stations, keyboards and other peripherals. We have established strong partnerships with renowned domestic and international brands, consistently expanding our customer base and increasing our market share. As of December 31, 2025, we had established partnerships with four of the world's top six PC brands. According to CIC, in terms of ODM shipments of laptops in 2024, we ranked as the world's fourth largest laptop ODM company, with a market share of 9.6%.

Our PC products are designed with advanced features and user-centric innovations, continually enhancing design, materials, performance, and user experience, such as ultra-slim and lightweight constructions, extended battery life, high-efficiency thermal solutions, AI-powered gesture controls and triple-antenna designs. Our technological strengths are central to our competitiveness, enabling us to deliver highly competitive products that are responsive to evolving user needs.

- *Structural design and manufacturing*: Our expertise in structural design and manufacturing allows production of all-aluminum devices, weighing approximately one kilogram and under 15 millimetres thick with optimized display-to-body ratios.

- *Thermal management capabilities*: Our products achieve a thermal design power benchmark of 150 watts within a 19.9 millimeter device profile. This allows us to deliver high-performance PCs with slim and compact designs, while maintaining stable operation and reliability during demanding workloads.

- *Proprietary radio frequency antenna solutions*: We have developed proprietary radio frequency antenna solutions, including AI-assisted and cavity antenna designs. These enable signal self-adaptation and dynamic switching, ensuring strong and stable connectivity even as antennas are miniaturized.

- *Precision structural engineering*: Integration of Wi-Fi technology with in-device stowable wireless cameras is enabled by our precision structural engineering.

- *Advanced stamping processes*: Our advanced stamping techniques enable the manufacturing of full 180-degree curved edges, achieving finishes comparable to CNC machining. This approach overcomes the traditional limitations of stamping in terms of precision and appearance, combining the efficiency and cost advantages of stamping with high-quality results.

- *Intelligent interaction solutions*: We deliver advanced intelligent interactions for PCs, featuring high-precision touchpads with ultra-sensitive multi-finger gestures, such as pinch-to-zoom and three-finger swipe, as well as AI-powered gesture control. Our AI system uses computer vision and sensor fusion to recognize real-time commands with low misoperation rates, elevating PC human-machine interaction convenience and standards.

With AI PCs emerge as a primary focus for the future of the PC industry, we are at the forefront of this transformation. We have collaborated with leading international brands to create next-generation products. By capitalizing on our technological strengths, we believe we are well positioned to further reinforce our leadership in product innovation.

Digital Infrastructure Products

Our digital infrastructure products encompass a comprehensive portfolio of server and switch solutions, covering both computing and network domain. This breadth enables us to serve a variety of application scenarios and to address the demanding requirements of next-generation data centers and emerging computing workloads. To ensure operational stability and optimal performance, we provide maintenance, performance optimization, and after-sales services as needed. Leveraging our strong R&D capabilities and advanced manufacturing expertise, we have established strong partnerships with leading global internet and technology companies. According to CIC, in terms of revenue related to digital infrastructure business in China in 2024, we ranked sixth among all digital infrastructure providers in China, with a market share of 5.0%.

Based on the diverse requirements of our customers, we provide digital infrastructure products through two principal models: tailored solutions for leading CSPs and standardized solutions designed for enterprise-wide deployment.

- *Customized solutions for CSPs*: We serve as a pivotal supplier to top-tier domestic internet companies, delivering a comprehensive portfolio of general-purpose servers, AI servers and switches. For these customers, we design and implement solutions tailored to their specific needs, particularly for large-scale AI training and inference scenarios. In key technical areas such as liquid cooling, high-speed interconnection and automated testing, we provide bespoke support to ensure our products align with customer operational requirements.

- *Standardized enterprise-grade solutions*: Through this model, we offer standardized products designed for cloud, edge and endpoint scenarios. Our modular product design enables compatibility with a broad range of leading domestic and international accelerator chips. Leveraging our expertise in network connectivity, we deliver integrated computing and networking solutions to address evolving enterprise needs. Our products are widely deployed in sectors including large-scale AIDC, internet, telecommunications, automotive, education and consumer electronics.

We employ a platform-based, modular architecture that enables component standardization and interchangeability. This approach accelerates product iteration, optimizes development cycles and cost efficiency, and ensures broad compatibility with a wide range of chipsets and accelerators. In addition, our products provide industry-leading support for a total switching capacity of 51.2T per second, placing them among the highest-performing solutions available for large-scale data centers, according to CIC.

AIoT

Our AIoT product portfolio encompasses a wide range of intelligent hardware and smart home devices, including gaming hardware, smart home products, XR products and other emerging categories of AIoT devices.

Gaming Hardware

Our gaming hardware combines a controller, mid-size display, battery, computing components, and thermal management modules in a single portable unit. Our portfolio covers x86 and ARM-based consoles, as well as cloud gaming devices, supporting diverse consumer needs and application scenarios. We serve as the ODM partner to renowned global gaming hardware brands.

Our devices stand out for their integration of industry-leading technology and user-focused design, offering benefits such as seamless switching between local and remote play with exceptionally low latency streaming. Players can dive into immersive gameplay instantly, enjoying vivid high-resolution displays in configurations ranging up to an 8-inch FHD or OLED screen supporting refresh rates up to 144Hz for ultra-smooth visuals. In addition, multi-platform compatibility is built in by design, with support for widely adopted operating systems such as Windows and Android, alongside seamless integration with popular cloud gaming services and platforms.

Smart Home Products

Our smart home product portfolio includes smart speakers, digital photo frames and IP cameras, each designed to meet the needs of modern intelligent living. Our smart speakers feature AI-powered voice controls with advanced noise-reducing multi-microphone arrays, ensuring accurate voice recognition and seamless cloud connectivity for easy remote access. Our smart speakers also provide rich, immersive sound through full-range speaker units. Our digital photo frames support resolutions up to 2.5k, delivering clear, vibrant images and offering a 160-degree wide viewing angle for consistent, distortion-free visuals from any perspective. Our IP cameras are equipped with high-definition imaging and motion detection to enhance home security. Each of our products integrates with major smart home platforms, allowing for unified control and enabling users to create a seamless, fully connected smart home ecosystem.

XR Products

Drawing on our expertise in smart wearables, we are expanding our product portfolio into the XR area, with a particular focus on MR headsets. Our MR headsets feature 1,832x1,930 pixel resolution per eye, a 96° FOV, up to 2.5 hours of battery life and innovative optical design. As a technology-driven company, we focus on technological innovation in core XR areas, including optics and human-computer interaction, to deliver products that meet a broad spectrum of customer needs. We believe that our technical expertise, combined with strategic collaborations with leading global partners, positions us well to advance the commercialization of XR technologies across a diverse range of applications.

Innovative Business

We provide a range of products under innovative business, encompassing automotive electronics, robotics, software and smart industrial products. These sectors are widely recognized as emerging and fast-growing areas, supported by increasing digitalization and automation across automotive, industrial and commercial fields, and offer substantial growth potential and significant room for further expansion. In addition, built as an extension of our business on the basis of our solid technology research and development capabilities, these products form the innovative part of our business portfolio.

Automotive Electronics

Our automotive electronics product portfolio spans three major segments: smart cockpit, display system and smart assisted driving controller.

- Smart cockpits: Our smart cockpits are immersive interactive systems built on multiple mainstream hardware platforms such as Qualcomm and MediaTek. Leveraging advanced software architecture, including hypervisor-based development, it supports flexible upgrades, multi-screen displays, and seamless integration with driving assistance and connected services. These systems provide intelligent user experiences and are compatible with next-generation vehicle E/E architectures.

- Display systems: Our display systems are designed for seamless integration with smart cockpit platforms, providing high-resolution, multi-screen solutions and intuitive HMI design.

- Smart assisted driving controllers: Our smart assisted driving controllers are robust hardware platforms that support scalable solutions, adaptable from basic driving assistance functions to advanced capabilities such as navigate on autopilot and memory parking. These controllers are compatible with mainstream supply voltages, feature industry-leading air-cooled designs for applicability across vehicle models, and have been successfully deployed in large-scale mass production projects.

To support these offerings, we have built comprehensive in-house development capabilities across hardware, software, HMI and testing. In addition, we have established an automotive-grade certified manufacturing center in Dongguan to ensure reliable and scalable delivery of products. Together, these capabilities underpin our ability to provide advanced electronic solutions for next-generation vehicles.

Robotics

We position robotics as one of our emerging strategies. Leveraging our deep technological expertise in electronics, we had entered the floor-cleaning robot market and data collection robot during the Track Record Period. Our floor cleaners integrate SLAM algorithms, deep learning-based navigation and voice interaction features. Additionally, our data collection robots are built on a master-slave arm structure, combining master control, slave-arm execution, and real-time data acquisition. This collaborative approach enables precise operations and closed-loop data collection, even in complex scenarios. Looking ahead, we aim to further enrich our robotics portfolio by developing innovative solutions for both consumer and industrial applications, and we are actively exploring opportunities in the field of embodied robotics.

Software

As a new business direction, our software business draws on two decades of core software expertise, anchored by our strengths in operating system software. Drawing on our experience in R&D, we provide customers tailored solutions, optimization services, evaluation and technical support across multiple operating system environments, including Android and RTOS. Meanwhile, we have actively expanded into software applications for emerging intelligent hardware sectors such as automotive, harnessing our strengths in system-level optimization and efficient cross-platform development. By building a comprehensive software service ecosystem, we empower our customers and accelerate their time-to-market.

Our software business spans multiple industries, delivering tailored services to meet diverse customer requirements:

- *Terminal device customers*: We offer software solutions for various terminal devices, including smartphones, tablets and smart wearables. Our services include system solutions, driver development, system optimization, application development, software and hardware evaluation, and operator certification. These services help customers offer products with high performance, stability and an enhanced user experience in competitive markets.

- *Automotive customers*: Focused on the intelligent transformation of vehicles, we provide solutions for smart cockpits, structured evaluation programs and intelligent driving assistance algorithms, including driver monitoring systems, occupant monitoring systems, surround-view monitoring and rear-view cameras. These solutions integrate software-hardware synergy to enhance human-vehicle interaction, safety and comfort experience, empowering automakers to accelerate the deployment of intelligent mobility systems.

- *Other industry customers*: We develop AI and computing vision solutions for a broad range of industries, covering applications such as smart industrial quality inspection, behavioral detection and enterprise visual analytics. These solutions enable customers to improve operational efficiency and achieve intelligent upgrades.

Smart Industrial Products

We design and provide a range of innovative smart industrial products that serve the spectrum of logistics, warehousing and retail environments. Our portfolio includes barcode scanning devices for logistics and warehousing, smart POS terminals and cashier solutions for retail scenarios. In addition, we provide PDA for industrial use and next-generation facial recognition terminals for the new retail sector.

RESEARCH AND DEVELOPMENT

We are committed to making investments in R&D. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses amounted to RMB4,547.5 million, RMB5,155.8 million and RMB6,363.5 million, respectively. We plan to continue investing in R&D to deliver high quality products and services to our customers. As of December 31, 2025, we held approximately 3,500 domestic registered patents, over 50 international registered patents and approximately 2,100 registered software copyrights. Among our registered patents in the PRC, approximately 1,500 are invention patents. These primarily relate to our mobile terminal products and cover, among others, hardware-related technologies such as radio frequency and antenna technologies, audio technologies, camera technologies, touch screen technologies and fingerprint recognition technologies, as well as software-related technologies and industrial design patents. In addition, we hold domestic invention patents relating to our computing and data center business and other related technologies, which underpin the R&D, optimization and commercialization of our broader product portfolio.

We have established a comprehensive R&D system and assembled specialized R&D teams to fulfil new development needs across all business segments. Our R&D team consists of selected talents whose expertise spans a wide range of areas. As of December 31, 2025, our R&D team had over 19,900 members, representing nearly 30% of our total workforce.

As of December 31, 2025, we operated five R&D centers in Shanghai, Wuxi, Xi'an, Nanchang and Dongguan, primarily focusing on R&D for our main product line. In addition, we have established Software Center and X-Lab Innovation Center ("**X-Lab**") to advance research in targeted areas. Specifically, our Software Center focuses on topics such as intelligent terminals, camera software, automotive electronics and internet applications, covering full-stack development for Android, IoT and automotive operating systems. Our X-Lab focuses on specialized research areas including acoustics, optics, thermal management, radio frequency and stimulation to continuously strengthen our technology reserves for commercialization. To further promote technical exchange among segments, we have also formed a group-level technology management team to centrally coordinate and oversee all R&D activities within our Group.

We have established long-term collaborations with leading research institutions, universities as well as industry experts and specialized external partners to provide additional technical proficiency to advance our R&D efforts. For example, we have worked with Shenzhen University to jointly develop and optimize a secondary dual-channel speech enhancement algorithm. We have also collaborated with Fok Ying Tung Research Institute of the Hong Kong University of Science and Technology (Guangzhou) on a project focused on material simulation research for electronic product reliability. The salient terms of our typical joint development agreement are set forth below.

Ownership of intellectual property rights	We normally retain the ownership of the intellectual property rights arising under jointly development agreements.
Confidentiality	Each party is subject to confidentiality obligations to prevent the unauthorised disclosure of information to third parties.
Development progress	The development process is divided into phases, with specific deliverables such as technical reports.
Allocation of costs	We are typically responsible for bearing costs of the development.
Enforceability and breach terms .	The party that fails to meet the objectives or indicators is required to implement corrective actions and cover any additional costs incurred as a result.

OUR TECHNOLOGY

Driven by efficient R&D management and sustained resource investment, we have built core technologies across key areas, including product design, manufacturing, quality control, and supply chain management. According to CIC, we are among the few smart product ODM companies with advanced capabilities across hardware, software and mechanical component development, demonstrating a technological edge over our peers. The following set forth the description of our key technologies.

Hardware Technology

Radio Frequency

We enhance radio frequency performance by optimizing front-end circuit design, selecting high-performance power amplifiers and achieving precise impedance matching. These measures significantly increase transmission power, signal range, and penetration capability, ensuring stable communication even in complex environments. In addition, we use intelligent sensing algorithms to achieve seamless dual-band Wi-Fi switching. By dynamically selecting frequency bands according to real-time factors such as network load and signal strength, we maximize the strengths of each band and ensure stable connections. This approach delivers high-quality network performance for users across a wide range of scenarios.

Antenna Design

Small clearance antenna technology

We have addressed the long-standing industry challenges of large bezels and insufficient screen-to-body ratios in smartphones through continuous innovation in antenna structure design, material optimization, and layout engineering. Traditionally, smartphone bezels had remained wide because antenna systems require significant clearance space. By re-examining this root cause and refining our antenna structures, we have enabled antennas to function effectively within much smaller spaces. As of December 31, 2025, we had reduced the required clearance from 2.5 millimeters to 0.5 millimeters.

To enhance screen-to-body ratios and meet the market requirement, we have developed a comprehensive technology matrix spanning mainstream, mid-range and high-end products. For the mainstream products, we utilize FPC solutions, achieving a screen-to-body ratio of approximately 92.7%, which balances quality and affordability. For mid-range products, our MDA solution enables devices to reach a benchmark screen-to-body ratio of around 94.9%, providing a strong blend of user experience and cost efficiency. For high-end products, our advanced metal frame solutions help attain a screen-to-body ratio of about 91.3%, combining aesthetics and high performance.

All-metal tablet antenna technology

All-metal tablet bodies, while offering premium aesthetics, have traditionally interfered with wireless signal performance. By combining advances in material engineering, electromagnetic simulation, and structural innovation, we refined our designs through four generations — from early FPC cavity designs to fully integrated antennas within the device body. Our latest carrier-free slot antenna delivers an all-metal appearance, with precise dimensions of 5.96 mm in thickness and a weight of 578-gram. This solution maintains stable signals through four walls, increases download speeds while improving stuttering, outperforming industry solutions. Additionally, for the children's tablet market, we developed small cavity technology, which reduces the volume by half while lowering the cost. This innovation achieves an effectively balances between performance and cost-effectiveness, further strengthening our competitiveness.

Satellite antenna technology

Communication in extreme scenarios without ground networks has long been a significant industry challenge. We have invested substantial R&D resources and pioneered a dual-rotating circularly polarized antenna architecture. Recognizing that signal stability and transmission efficiency are crucial in these environments, we approached innovation from the perspective of antenna polarization. Through a unique T-fork left-hand rotation and R-fork right-hand rotation design, we effectively improved signal gain and reduced transmission loss by 2dB.

We utilize NAND gate decoupling technology to further decrease signal interference, thereby enhance the communication efficiency. We further optimize circular polarization performance through our dual antenna aggregation algorithm. As of December 31, 2025, we supported our customer in developing the first commercial device to implement Beidou satellite messaging functionality. This achievement marks a critical breakthrough in satellite communication, moving from concept to commercial reality and providing robust technical support for secure communications in extreme scenarios.

Circuit Design

We offer industry-leading expertise in circuit system design and integration, according to CIC. We are able to efficiently lay out complex circuits within a mainboard area of less than 16 square centimetres, enabling effective cross-functional design. This allows us to integrate more than 1,200 components while effectively managing and resolving interference among different modules. Our advanced design capabilities ensure compact, reliable and high-performance product solutions.

Sensor

For wearable wristband blood pressure solutions, we have the capability to efficiently arrange components on the motherboard of devices such as smart watches within a space of less than $16cm^2$. Considering that smart wearable devices have small sizes but high functional requirements, we highly integrate the circuit to meet the various requirements. By integrating stepping micro air pump circuits, air pump boost power supply circuits, micro regulating valve circuits, temperature compensation circuits, air pump monitoring feedback circuits, pressure sensors, and MCU micro signal processing circuits, we have built a complete blood pressure collection solution. This solution realizes blood pressure collection by capturing cuff pressure and pulse fluctuation signals. Meanwhile, in the circuit design process, we balanced requirements such as high integration, miniaturization, high precision, and low power consumption, and met strict medical certification requirements to ensure user safety.

To advance ANC technology which reduces environmental noise using sound waves of opposite phase, we integrated environmental noise detection with ANC to achieve a reduction depth of 55dB for in-ear and 42dB for semi-in-ear products. We implement this technology across audio categories such as TWS and headphones, effectively addressing user needs in diverse scenarios and greatly enhancing user experience.

High-Speed Interconnection

We advance system interconnect performance by continually developing and deploying high-speed interconnect standards. Our solutions based on 112 Gbps SerDes technology is now in mass production, supporting high-bandwidth, low-latency connectivity for digital infrastructure products. Building on this foundation, our solutions incorporating 224 Gbps SerDes are production-ready and scheduled for release with our next-generation product line, further increasing interconnect speeds to support next-generation workloads. Looking ahead, we are developing 448 Gbps SerDes technology, focusing on addressing future bandwidth demands. In addition, according to CIC, we have developed and implemented leading solutions in co-packaged copper, near-packaged copper, and high-speed cabled backplane architectures. These advances reduce signal transmission loss, increase bandwidth density and provide flexible configuration options for large-scale data centers and AI applications.

Software Technology

Multi-system, multi-platform solution design and development

We deliver advanced software design and development capabilities across multiple systems and platforms. We have deep experience in optimizing and adapting both Android and Windows operating systems, as well as undertaking low-level software development and debugging for a broad range of architectures, including Arm (Windows on Arm), Linux (such as Steam OS), and x86 platforms. We have extensive expertise in system integration, performance optimization and compatibility testing. This enables seamless and stable operation of products across a variety of system environments, including Intel, AMD, Qualcomm and Nvidia platforms.

Embedded software architecture

We have developed embedded software architectures from firmware and driver development through to application integration. Leveraging our R&D capabilities, we provide efficient, intelligent and stable embedded solutions for various products, such as PCs, servers, automotive electronics and robotics. Our team has experience with processor cores including 8051, RISC-V, and ARM, and develop using embedded operating systems such as Lite OS, Zephyr OS, WinCE, and Linux. This enables reliable support for hardware drivers, power and thermal management and resource scheduling. By leveraging our advanced software platform, we have implemented efficient embedded controller solutions for devices including fingerprint readers, gaming controllers and Type-C controllers.

Mechanical Component Technology

Slim Architecture

In the consumer electronics sector, the trend toward slimmer and lighter products has become increasingly prominent. This not only enhances user convenience in carrying devices but also optimizes the overall user experience. To achieve extreme slimness in our products, we have focused our efforts on three key areas: architectural design, component miniaturization, and process breakthroughs.

Architectural design

Leveraging cutting-edge technologies such as integrated metal construction, sandwich stacking technology, COB integration, in-mold aluminum sheet for BOX, and steel sheet removal for USB interfaces, we have successfully developed industry-leading tablets and smartphones in terms of compactness and design. Our tablets can achieve a thickness of 5.79 mm. Through in-depth research on material properties and precise optimization of structural layouts, we have significantly reduced product thickness while ensuring strength and reliability, meeting the market's demand for ultra-slim products.

Component miniaturization

The size of components directly impacts the overall thickness of products. Our self-developed industry-leading 6mm SPKs, featuring an irregular diaphragm and magnetic circuit design, is more than 25% smaller in volume compared to conventional 8 mm to 14 mm SPKs widely used in the market. This breakthrough strongly supports the miniaturization of earphones, freeing up more internal space for larger batteries to extend product battery life and providing greater flexibility in product design. Currently, we are advancing research on 4mm SPKs, which is expected to enhance our competitiveness in space-constrained products such as TWS earphones and smart glasses in the future.

Process breakthroughs

Parts like earphones and USB interfaces often pose challenges in thickness control. Through our sinking process, we have reduced the thickness of these parts, effectively overcoming multiple thickness bottlenecks and maximizing space utilization. This process skillfully optimizes internal structures without compromising product performance, demonstrating our strong capabilities in process innovation.

Functional Waterproofing

With growing demand for electronic devices that perform reliably in various scenarios, waterproof performance has become a key indicator of product quality. We have enhanced our products' waterproof capabilities through coverage across structural design, material selection, and manufacturing processes.

Multi-category and multi-level coverage

Our waterproof technology is widely applicable across various product categories, including smartphones, tablets, TWS earphones, wearable devices, and e-books. It supports multiple waterproof levels, such as daily water resistance, IP65, IP68, IP69, and 5ATM, ensuring our products meet the waterproof needs in diverse and complex environments. In particular, our high-end sports smart watches equipped with 5ATM waterproofing enable free diving to depths of up to 40 meters.

Innovative structural Design

Structural design is crucial for achieving waterproof performance. We have made breakthroughs through a series of advanced technologies, successfully developing waterproof feature for multiple individual components, such as SPKs. For example, utilizing the LIM process, we inject liquid silicone, which characterized by high transparency, excellent processability, high strength, and availability in multiple hardness levels, into prefabricated molds, which then cures at high temperatures to achieve high manufacturing precision. Meanwhile, we employ glue dispensing technology with a no-wipe design, precisely controlling the application position and dosage of the glue. This avoids defects and hidden risks that may arise from the glue wiping process, thereby enhancing the waterproof effect. Furthermore, our foam adhesive bonding technology uses high-quality foam adhesives, leveraging their excellent adhesiveness and cushioning properties to effectively fill gaps and block water intrusion. By utilizing the advantages of each material, we have constructed a multi-layer waterproof barrier. In addition, we have realized a low-cost waterproof solution by reducing the number of disassembled parts and simplifying the design, ensuring the waterproof performance of our products in various complex environments.

Optimized manufacturing processes

High-precision manufacturing processes are essential for ensuring waterproof performance. Leveraging our manufacturing technologies, such as a minimum glue dispensing width of 0.3mm, vacuum glue filling, one-time glue dispensing for three-component bonding. These technologies have increased the waterproof qualification rate of products to 99.5%, significantly enhancing both waterproof performance and manufacturing efficiency, ensuring our products reach industry-leading standards in waterproof quality.

Thermal Management

Effective thermal management is critical to ensuring stable, high-performance operation across both electronic devices and large-scale digital infrastructure. According to CIC, we have developed and implemented industry-leading solutions in both active and passive cooling.

Dual-action wing boost fan technology

Guided by fundamental physical principles and in-depth aerodynamic research, we have achieved a breakthrough by integrating the optimal features of axial and centrifugal fans, overcoming traditional design limitations. Our dual-action wing boost fan technology delivers outstanding performance, achieving more than a 10% increase in individual fan efficiency and enabling approximately 5W greater system power output, all while maintaining similar noise levels and surface temperature rise. To protect and promote this innovation globally, we have secured overseas patents for this technology in Japan, Europe, the United States, and Korea.

High-performance, cost-efficient VC

Our high-performance VC uses targeted capillary flow channel designs and an advanced composite capillary and liquid return structure, which can be customized for different CPU and GPU power requirements. By using alternative metals in place of copper alloy for the upper cover and reducing chamber wall thickness by 0.12 millimeter to expand the internal vapor space, we have achieved both weight savings and cost reductions. We have implemented the technology to both gaming laptops and ultra-slim laptops, offering strong support for future AI-enabled high-performance computing devices.

Digital infrastructure thermal solutions

To address the cooling demands of next-generation digital infrastructure, such as high-density architecture and AI computing platforms, we have established high-capacity thermal management solutions. Our offering covers advanced air-cooling systems capable of supporting up to 1,800W, direct-to-chip liquid cooling for devices up to 2,500W, and dedicated liquid cooling for optical modules. These solutions ensure efficient heat dissipation for high-density equipment, supporting system reliability and energy-efficient operation at scale.

Innovative Processes

To maintain our competitiveness within the industry, we are committed to innovating in product processes, mold processes, and material processes to continuously optimize product performance and user experience.

Product process innovations

We focus on addressing industry pain points and improving user experience. Our OWS wire secondary encapsulation technology effectively eliminates common industry issues such as abnormal noise and bulging. Leveraging this technology, we have achieved an mass production of earhooks with an ultra-slim 2.8mm thickness. Furthermore, we have developed a proprietary UX database based on the analysis of ear canal and auricle models from 1,500 users.

Leading mold processes

The advancement of mold processes directly affects product precision and manufacturing efficiency. We have achieved breakthroughs in mold technology, including zero-degree demolding — improving on the traditional standard of four degrees or more — and vacuum-assisted demolding. As of the Latest Practicable Date, we had applied these innovations to mass production. Additionally, we have reduced the number of parting lines from eight in traditional processes to one, representing a seven-eighth reduction. These innovations have improved manufacturing efficiency and product quality, while enabling seamless integration of design, user experience, and product structure.

Material process upgrades

Material properties determine product texture and performance and we are committed to upgrading our material processes. We have achieved temperature- and light-responsive effects that enhance product visual appeal by combining composite panels with celluloid technology. Our ceramic and TC beaded watch straps are lighter and more premium than traditional designs. Nano-level hydrophobic and skin-friendly treatments on woven straps reduce water absorption. These advancements further enhance user comfort and demonstrate our leadership in material process innovation.

Test Automation Technology

Test automation technology is a foundational strength in our intelligent operations, where we support quality control for products such as smartphones, tablets and automotive electronic products. Our automated testing system addresses critical performance areas, including radio frequency performance, audio quality, sensor calibration, and overall system stability, utilizing standardized scripts and automated data analysis to ensure reliable results. We have developed a suite of proprietary automation technologies, incorporating features such as visual recognition for accurate test point identification, advanced simulation tools for demanding test environments, and language model-based modules to automate user interactions. Through these innovations, we have reduced product defect rates and shortened validation cycles for new models, building a robust technical foundation for our ODM business. We have designed our test automation technology with a modular three-layer architecture: the first layer consists of customized hardware that enables parallel testing of multiple devices. The second layer consists of Python-based framework for efficiently organizing and executing large volumes of test cases. The third layer leverages AI algorithms to provide real-time analysis of test data and predict product defects. This three-layer architecture supports highly scalable, accurate and efficient testing processes.

Manufacturing Technology

We possess strong manufacturing capabilities, including precision assembly, visual inspection and functional testing. These strengths enable us to safeguard critical product parameters and enhance the competitiveness of our products.

Precision assembly

Our manufacturing lines employ five-axis linkage equipment and internally developed nano-level fixture processes, ensuring assembly precision within ±0.02 millimeters. With AI-driven visual guidance, our production rates exceed 3,000 component placements per hour. Integrated deep learning capabilities continuously optimize mounting paths, resulting in high placement accuracy. These capabilities enable us to reliably provide ultra-precise assembly for components such as smartphone hinges and camera module brackets.

Visual inspection

We employ a proprietary AI vision and intelligent review system at each stage of inspection, including material receipt, in-process checks, and final outgoing evaluation. This system achieves detection precision down to ±0.001 millimeters. Multi-spectral optical solutions, together with X-ray non-destructive testing technologies, enable rapid and reliable identification of both surface and internal defects, ensuring 100% inspection coverage and rigorous quality assurance.

Functional testing

Our automated manufacturing lines support thorough multi-functional testing across key parameters, including audio performance, coupling integrity, air-tightness, user interface operation, camera quality and water immersion resistance. Our self-developed platform integrates extensive testing databases and cloud-based analytics, enabling device-level data collection and analysis. This approach underpins our consistent and reliable product quality.

MANUFACTURING

Over the years, we have established a comprehensive global manufacturing footprint in both China and overseas markets, enabling us to enhance production capacity, improve cost efficiency and respond swiftly to dynamic customer demands.

Leveraging the geographic advantages of Dongguan and Nanchang in China, we have established large-scale manufacturing centers in both locations. In addition, we have expanded our global presence by strategically establishing manufacturing facilities in Vietnam, Mexico and India. See "— Manufacturing Centers" in this section.

Our manufacturing infrastructure possesses both large-scale, high-volume manufacturing capabilities and flexible manufacturing systems capable of accommodating diverse product types in small batches. Our advanced lines support rapid changeovers and mixed-line manufacturing processes, allowing us to efficiently switch between different products and production runs in response to customer requirements.

Manufacturing Models

We adopt a market-oriented approach to production scheduling and capacity management, employing scientific methods to optimize resource allocation in line with customer demand. We utilize a hybrid manufacturing model that combines in-house manufacturing with a limited portion of outsourced manufacturing arrangements. For each period in 2023, 2024, and 2025, our outsourced manufacturing accounted for less than 5% of our cost of sales. While in-house manufacturing remains the primary mode, we flexibly allocate outsourced capacity based on factors such as order size, delivery schedules and technical specifications. This dynamic capacity management enables us to tailor manufacturing resources in response to the specific needs of different customers and product types, thereby minimizing idle self-owned capacity when order volumes are small and preventing delivery delays when order volumes are large.

In-house manufacturing

We independently developed a proprietary intelligent manufacturing information system to enhance the level of automation and intelligence at our manufacturing centers, enabling us to continually improve manufacturing efficiency and product quality. By integrating manufacturing technologies and intelligent logistics into our operations, we streamline workflow, improve manufacturing efficiency and optimize resource utilization throughout the in-house manufacturing process. In addition, we deploy an integrated suite of advanced digital systems to achieve comprehensive monitoring and rapid response across manufacturing lines. Through system interconnectivity, we ensure seamless data exchange between manufacturing equipment, management platforms, and quality control systems. By leveraging big data analytics, we establish early-warning mechanisms that detect anomalies or inefficiencies in real time, enabling timely intervention. These digital upgrades significantly advance our manufacturing stability, operational transparency and product quality, supporting our commitment to intelligent and efficient manufacturing. See "— Digitalization" and "Manufacturing — Manufacturing Process" in this section.

Outsourced Manufacturing

To meet delivery schedules and enhance overall manufacturing efficiency, we also engage qualified third-party manufacturers to perform certain processing tasks mainly including SMT processing, final assembly and packaging. Upon completion of outsourced processes, all products are subject to our internal quality inspection procedures. Only products that meet our quality standards are approved for delivery to customers. In 2023, 2024 and 2025, we engaged nine, seven and eight outsourced manufacturers, respectively, to support our production activities.

We have established a comprehensive management system to ensure the quality and reliability of outsourced operations. Specifically, we set clear standards and policies for outsourced manufacturing quality and risk control. All outsourced manufacturers must pass a formal qualification process before being authorized to participate in manufacturing. The certification process includes qualification review, on-site audits, sample trial production and small-batch trial runs. Based on the results of this assessment, we classify outsourced manufacturers into tiers. We also conduct ongoing performance evaluations on a monthly and quarterly basis, jointly managed by our engineering, planning, logistics, quality and outsourcing management departments. This structured approach ensures that our outsourced manufacturers meet our expectations in terms of quality, efficiency and compliance, while also mitigating the risk of over-reliance on any single supplier.

The salient terms of our typical agreements with outsourced manufacturers are set forth below.

Duration	The initial term is generally up to three years, with an automatic extension clause.
Processing fee and payment	Processing fees are based on mutually agreed quotation prices and include costs such as materials, assembly, testing and logistics. Payment should be made by bank transfer in 45 days after month-end, upon receipt of an invoice from the outsourced manufacturer.
Manufacturing and delivery	Outsourced manufacturers are responsible for manufacturing the products and delivering them to our designated collection points.
IP protection	We authorize outsourced manufacturers to use our IP solely for the purpose of fulfilling our orders. During the Track Record Period, there had been no material infringements of our IP rights, nor any associated litigation or significant disputes.

After-sales	Outsourced manufacturers generally provide a one-year warranty.
Termination	Unless otherwise agreed, the agreement may be terminated if the outsourced manufacturer fails to remedy a breach within 30 days of receiving written notice or becomes insolvent.

Manufacturing Centers

As of the Latest Practicable Date, we operated two domestic manufacturing centers located in Nanchang and Dongguan, and three overseas manufacturing bases in Vietnam, India and Mexico. We intend to pursue new business opportunities with overseas customers and to continue close collaboration with our key customers, including those headquartered in the United States, and will consider any future expansion of our sales in light of overall market conditions. We do not have any specific plan at this stage to expand sales to the United States as a standalone strategic market. The establishment of our overseas manufacturing bases was driven by demand from global customers for localized orders and tariff advantages. As of the Latest Practicable Date, our Vietnam and Mexico manufacturing bases primarily served North American market, and the India manufacturing base primarily served Indian market. The following table sets forth a brief description of our manufacturing bases as of the Latest Practicable Date.

Name	Location	Year of commencement of operation	Approximate GFA (m^2)	Key products	Ownership status
Nanchang Manufacturing Center	Nanchang, Jiangxi, China	2019	1,054,431	Smartphones, tablets, smart wearables, PCs, AIoT devices	Leased
Dongguan Manufacturing Center	Dongguan, Guangdong, China	2011	1,029,160	Smartphones, tablets, wearables, AIoT devices, servers, automotive electronics, smart industrial products	Owned
Vietnam Manufacturing Base	Thai Nguyen, Vietnam	2024	19,382	Tablets, smart wearables, PCs, AIoT devices	Leased
India Manufacturing Base	Noida, India	2024	125,029	Smartphones, tablets, smart wearables	Leased
Mexico Manufacturing Base	Tijuana, Mexico	2025[1]	73,978	Smartphones, tablets, AIoT devices	Owned

Note:

(1) We completed the acquisition of the Mexico Manufacturing Base in November 2025.

The following table sets forth the designed production capacity and utilization rate for each of our business for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Mobile Terminals			
Designed production capacity ('000 units)[1]	213,546	255,376	347,044

	Year Ended December 31,		
	2023	2024	2025
Total output ('000 units)	165,806	191,716	277,551
Utilization rate (%)(2)	77.6	75.1	80.0
Computing and Data Center Business			
Designed production capacity ('000 units)(1)	14,108	19,058	21,938
Total output ('000 units)	11,750	15,378	17,816
Utilization rate (%)(2)	83.3	80.7	81.2
AIoT			
Designed production capacity ('000 units)(1)	6,495	21,691	39,248
Total output ('000 units)	4,138	15,255	29,163
Utilization rate (%)(2)	63.7	70.3	74.3
Innovative Business(3)			
Designed production capacity ('000 units)(1)	1,200	5,180	10,466
Total output ('000 units)	230	3,000	8,152
Utilization rate (%)(2)	19.2	57.9	77.9

Notes:

(1) The designed production capacity for each period is calculated based on the hourly production capacity and working hours, assuming 25 working days per month and 20 working hours per day (operating with day and night shifts).

(2) The utilization rate is calculated by dividing total output by the designed production capacity for the relevant period.

(3) During the two years ended December 31, 2024, our production for innovative business was in its initial ramp-up phase. In the year ended December 31, 2025, the utilization rate increased further, reflecting a gradual transition towards normal operations.

The following table sets forth the designed production capacity and utilization rate for each of our manufacturing center for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Nanchang Manufacturing Center			
Designed production capacity ('000 units)(1)	89,276	97,240	158,130
Total output ('000 units)	70,817	79,166	132,714
Utilization rate (%)(2)	79.3	81.4	83.9
Dongguan Manufacturing Center			
Designed production capacity ('000 units)(1)	146,073	192,510	205,433
Total output ('000 units)	111,107	138,734	161,616
Utilization rate (%)(2)	76.1	72.1	78.7
Vietnam Manufacturing Base			
Designed production capacity ('000 units)	–	4,796	22,011
Total output ('000 units)	–	3,460	16,464
Utilization rate (%)(1)	–	72.1	74.8
India Manufacturing Base(2)			
Designed production capacity ('000 units)(1)	–	6,760	31,614

	Year Ended December 31,		
	2023	2024	2025
Total output ('000 units)	–	3,990	21,124
Utilization rate (%)(2)	–	59.0	66.8
Mexico Manufacturing Base(4)			
Designed production capacity ('000 units)(1)	–	–	1,509
Total output ('000 units)	–	–	764
Utilization rate (%)(2)	–	–	50.6

Notes:

(1) The designed production capacity for each period is calculated based on the hourly production capacity and working hours, assuming 25 working days per month and 20 working hours per day (operating with day and night shifts).

(2) The utilization rate is calculated by dividing self-production output by the designed production capacity for the relevant period.

(3) The India manufacturing base commenced operation in September 2024. As of December 31, 2025, it remained in the initial ramp-up stage.

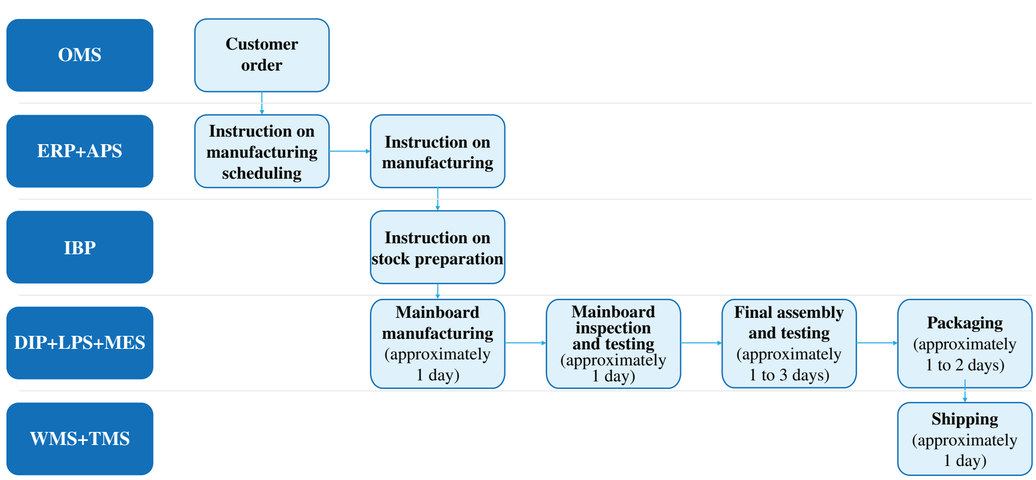
(4) The Mexico manufacturing base commenced operation in November 2025. As of December 31, 2025, it remained in the initial ramp-up stage. The designed production capacity for our Mexico manufacturing base in 2025 reflects only the period from November to December 2025.

During the Track Record Period, fluctuations in utilization rates primarily resulted from adjustments and transfers of production capacity among different manufacturing centers to meet our business strategies. This process led to temporary efficiency losses and necessitated additional standby capacity. As these transitional impacts subsided, the utilization rates improved in 2025.

Manufacturing Process

We possess both large-scale, high-volume manufacturing capabilities and flexible manufacturing systems capable of accommodating diverse product types in small batches. Our advanced, digitally enabled manufacturing lines support rapid changeovers and mixed-line manufacturing processes, allowing us to efficiently switch between different products and production runs in response to customer requirements. See "— Digitalization" in this section.

The following diagram illustrates the principal steps of the manufacturing process generally applicable to our smart products:



- *Instruction phase*: Upon customer order confirmation, we prepare manufacturing and material planning instructions to support subsequent manufacturing steps.

- *Mainboard manufacturing*: Mainboard manufacturing primarily utilizes surface mount technology (SMT), including solder paste printing, component mounting and reflow soldering, to assemble electronic components onto the printed circuit board. Following assembly, the operating system is installed to prepare the mainboard for subsequent testing and integration.

- *Mainboard inspection and testing*: After manufacturing, the mainboard undergoes a comprehensive validation and testing process. This includes X-ray sampling inspections and assessments of mechanical and visual characteristics, ensuring mainboards with soldering or component defects are identified and properly managed. Qualified mainboards are then placed into custom test fixtures, connected to critical components and routed through an integrated testing system. This stage simulates full system functionality, confirming the reliability and performance of each unit before it enters final assembly. By combining industrial robotics with machine vision, we have automated all handling and inspection processes at this stage, enabling fully unmanned and highly efficient operations.

- *Final assembly and testing*: Completed mainboards and other components are assembled into finished devices on flexible assembly lines. Each finished product undergoes rigorous appearance inspection, functional testing and ageing tests to ensure performance and reliability. Given our diverse product range, we have optimized traditional assembly lines by introducing automation and process enhancements, reducing manual operations and improving efficiency and consistency across different product configurations.

- *Packaging*: In the packaging stage, the complete units and accessories are packaged according to customer requirements. AGV manage internal logistics and automated labelling systems ensure precise identification. The entire process is fully traceable through EMS, providing transparency and quality assurance throughout final delivery.

- *Shipping*: Finished goods are processed through digital logistics management systems, enabling real-time tracking, inventory updates, and shipment coordination.

Manufacturing Equipment and Machinery

Our advanced manufacturing equipment and machinery are essential for enhancing product quality and cost competitiveness. The main equipment and machinery used in the manufacturing process are self-owned, including solder paste printers, placement machines, X-ray inspection equipment, LCD bonding equipment, and a range of automated testing devices for functions such as touch-screen performance, LCD quality, and camera, speaker, and microphone testing. Our major manufacturing equipment and machinery are equipped with an advanced smart control platform that enhances automation, precision, and quality control throughout the manufacturing process. In addition, we have standardized the function modules across equipment, such as positioning modules and vision re-inspection modules. As of December 31, 2025, we had developed 21 general-purpose function modules, achieving a consistently high assembly yield rate across all categories of component assembly.

We have established a digital lifecycle management approach for our manufacturing equipment and machinery, utilizing our Equipment Asset Management (EAM) system, data acquisition and supervisory control system (SCADA) and Andon system.

- *EAM*: Manages the lifecycle of equipment and machinery, covering stages such as demand assessment, procurement and acceptance monitoring.

- *SCADA*: Enables real-time monitoring and visual management of equipment and machinery status across the manufacturing process, integrating operational data to support data-driven decision-making, as well as facilitating coordination between device and remote control of multiple devices.

- *Andon*: Provides real-time alerts for equipment and machinery faults or quality events, such as audio-visual signals and display boards, rapidly mobilizing relevant personnel for timely response and resolution.

This ensures our equipment and machinery remain in optimal operating condition and enables management throughout their lifecycle, from procurement through manufacturing and ultimately retirement or disposal. We conduct careful, timely maintenance and regular inspection of our manufacturing equipment and machinery. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or long-term suspensions of operations due to equipment, machinery or other mechanical failures.

DIGITALIZATION

We have established a robust digital management framework covering the full value chain, integrating advanced systems at every stage, from order and demand management to supply, manufacturing, logistics and delivery. This comprehensive digitalization enhances our operational visibility, agility, and collaboration, enabling us to respond quickly to customer needs and market changes.

- *OMS (Order Management System)*: An order management system that streamlines order processing from customer placement through to fulfillment. Provides real-time visibility of order status and inventory, improving order accuracy and customer satisfaction.

- *APS (Advanced Planning and Scheduling System)*: Optimizes manufacturing planning and resource allocation through intelligent scheduling algorithms. Enhances manufacturing efficiency, supporting rapid adjustments based on demand fluctuations and supply constraints.

- *SRM (Supplier Relationship Management)*: Facilitates seamless collaboration and communication with suppliers. Monitors supplier performance and risk to improve procurement effectiveness and supply chain reliability.

- *QMS (Quality Management System)*: Standardizes quality monitoring processes across the value chain. Supports timely detection and resolution of quality issues, ensuring consistent product standards.

- *MES (Manufacturing Execution System)*: Digitally connects, monitors, and controls manufacturing processes in real-time. Enables data-driven decision-making to optimize throughput and reduce manufacturing downtime.

- *IMP (Integrated Product Development Management Platform)*: Serves as a unified digital platform managing all stages of product development. Enables cross-functional collaboration, process standardization and real-time visibility for R&D teams.

- *LPS (Lean Manufacturing System)*: Implements lean management practices throughout manufacturing to eliminate waste. Continuously improves process efficiency and cost-effectiveness.

- *DIP (Data Integration Platform)*: Provides unified data integration and sharing across all systems. Enables holistic analytics that support informed and strategic decision-making.

- *TMS (Transportation Management System)*: Optimizes transportation planning and execution for both inbound and outbound logistics. Tracks shipments in real-time, improving delivery accuracy and reducing logistics costs.

- *WMS (Warehouse Management System)*: Manages warehouse operations, including inventory accuracy and stock movement. Enhances picking efficiency, space utilization, and overall supply chain responsiveness.

- *IBP (Integrated Business Platform)*: A proprietary operational middle platform developed to provide an integrated supply chain planning and execution system for our business. This platform enables streamlined manufacturing planning, capacity balancing and manufacturing integration, enabling quick responses to customer needs.

QUALITY ASSURANCE

We have established a dedicated product quality control department and a comprehensive, effective quality management system. Our products have achieved accreditation in major markets across North America, Europe, Asia, and South America. We have developed and implemented detailed policies and procedures in accordance with national and industry standards. Throughout all stages of manufacturing and operations, we strictly enforce these policies, ensuring rigorous quality control from multiple perspectives and at all levels. As of December 31, 2025, we had received awards and recognition from multiple customers for our excellent product quality. See "— Awards and Recognitions" in this section. Our quality control system is applied across five key aspects, namely product R&D, raw material procurement, manufacturing, product and services delivery, and control of non-conforming items, ensuring end-to-end oversight of product safety and performance. The details of our quality control across the five key aspects are as follows.

- *Product development*: we have established a flexible and continuously optimized product development process. This process enabled an effective allocation of resources through systematic planning, regular review, and comprehensive testing, which included in-house testing, customer validation, and independent third-party testing. Products may only advance to mass production after successful completion of trial production, thereby ensuring the integrity and reliability of design and development outcomes.

- *Raw material procurement*: we have established a robust and systematic raw material procurement system to ensure the quality, stability, and sustainability of our supply chain. We conduct supplier selection and performance evaluations using rigorous standards, emphasising quality, reliability, environmental compliance, and cost-effectiveness. Our procurement procedures incorporate comprehensive onboarding, regular assessments and ongoing audits to ensure that all raw materials meet applicable international and industry-specific standards. In addition, we have developed contingency plans and a diversified sourcing strategy to mitigate supply chain risks and respond to unforeseen challenges.

- *Manufacturing*: we exercise strict control over our manufacturing processes to ensure that our products comply with relevant standards and meet customer requirements. Our planning department is responsible for issuing manufacturing schedules and ensuring the timely supply of raw materials. Our manufacturing center quality department monitors the quality, hazardous substance-free (HSF) compliance, and information security aspects of the manufacturing process and conducts thorough product inspections. For outsourced manufacturing, our planning department handles the selection and daily management of the suppliers, while our manufacturing quality department oversees the quality, HSF compliance, and information security during the outsourcing manufacturing process. Additionally, our manufacturing quality department organizes regular audits of outsourced manufacturers' management systems to ensure that they remain in full compliance with relevant standards and continue to meet customer requirements.

- *Product and services delivery*: our quality management department is responsible for preparing the hazardous substance control procedures, while our testing department prepares and implements the product testing procedures to verify compliance with relevant requirements. Our testing department conducts inspections of product characteristics, including quality attributes and HSF requirements, and maintains records as evidence of conformity. These records specify the personnel responsible for product release. Products and services will not be delivered to customers until all specified tests have been successfully completed.

- *Control of non-conforming items*: we have established comprehensive procedures for the control of non-conforming items. When products, components, or processes fail to meet specified requirements, the relevant departments promptly identify, isolate, and assess the non-conforming items to prevent unintended use or delivery. The responsible personnel record details of the non-conformity, investigate causes, and implement corrective and preventive measures in accordance with established protocols. Where necessary, affected products are reworked, repaired, or disposed of to ensure that only fully compliant products are released to customers. We maintain clear documentation of each incident and oversee the effectiveness of corrective actions, ensuring sustained product quality and regulatory compliance.

SALES AND MARKETING

With a global vision, we have established a robust sales and marketing network. As of December 31, 2025, our products were sold globally, reaching markets across Asia, North America, South America, Europe, and Africa. We invest in marketing and sales to promote our products and services.

Our sales and marketing teams are responsible for providing comprehensive, end-to-end services to our customers across various markets worldwide, including China, the United States, South Korea and Japan. We require our team to possess not only strong experience in sales, marketing and customer service, but also in-depth knowledge of our products, along with understanding of our supply chain and manufacturing. This approach enables our team to better meet expectations of our customers. To further enhance customer retention, we foster close collaboration between our R&D and marketing teams, ensuring that our offerings are continuously aligned with customer needs and technological advancement. Our sales and marketing teams also play a critical role in aligning our resource allocation with customers' strategic development objectives, strengthening long-term strategic partnerships. As of the Latest Practicable Date, our collaboration with several leading global technology brands had expanded from single-product engagements to broader product portfolios, achieving deeper strategic synergy.

Sales Model

We adopt a direct sales model, supplying products directly to domestic and international smart product brands and internet companies. We do not sell products directly to end consumers. We formulate credit policies for different customers, taking into account a range of factors, including the customer's brand strength, operational scale, payment history, and length of collaboration.

Our Customers

We have a significant global customer base. Our customer primarily consist of domestic and international well-known mobile terminal brands, personal computer brands, CSPs, and automotive manufacturers. For the years ended December 31, 2023, 2024 and 2025, our overseas sales revenue amounted to RMB56,291.1 million, RMB56,402.5 million and RMB92,247.0 million, respectively, representing 66.0%, 51.3% and 53.8% of our total revenue for the same periods. For each year ended December 31, 2023, 2024 and 2025, sales to our largest customer accounted for 25.9%, 18.9% and 14.9% of our revenue, respectively, while our five largest customers for the same periods accounted for 64.6%, 56.7% and 54.1% of our revenue, respectively. During the Track Record Period, we generally granted a credit period of 30 to 90 days to our customers.

The tables below set forth the details for each of our five largest customers for each year of the Track Record Period.

Rank	Customer	Products/Services Purchased	Transaction Amount	Percentage of Total Revenue	Year of Business Relationship	Business Background
			(RMB in millions)	*(%)*		
For the Year Ended December 31, 2023						
1 . . .	Customer A/ Supplier B	Mobile terminals, Computing and data center business, AIoT	22,137.9	25.9	2016	A Korea-listed corporation headquartered in Seoul, South Korea. It mainly engages in the manufacturing and sales of consumer electronics, semiconductors and home appliances.
2 . . .	Customer B/ Supplier A	Mobile terminals, Computing and data center business, AIoT	16,451.8	19.3	2008	A Hong Kong-listed corporation headquartered in Beijing, China. It focuses on smart devices, infrastructure solutions and related technical services.
3 . . .	Customer C/ Supplier C	Mobile terminals, Computing and data center business, AIoT, innovative business	6,235.0	7.3	2014	A Taiwan-listed corporation headquartered in Taiwan, China. It mainly engages in consumer electronic business.
4 . . .	Customer F	Mobile terminals, Computing and data center business, AIoT	5,613.7	6.6	2018	A corporation headquartered in Dongguan, China. It mainly engages in manufacturing and sales of mobile devices, along with video-audio equipment and software development.
5 . . .	Customer E	Mobile terminals, Computing and data center business, AIoT	4,694.0	5.5	2016	A Hong Kong-listed corporation headquartered in Beijing, China. It mainly engages in consumer electronics, smart hardware and IoT platform services.
For the Year Ended December 31, 2024						
1 . . .	Customer B/ Supplier A	Mobile terminals, Computing and data center business, AIoT, Innovative business	20,781.6	18.9	2008	A Hong Kong-listed corporation headquartered in Beijing, China. It focuses on smart devices, infrastructure solutions and related technical services.
2 . . .	Customer A/ Supplier B	Mobile terminals, Computing and data center business, AIoT, Innovative business	13,307.3	12.1	2016	A Korea-listed corporation headquartered in Seoul, South Korea. It mainly engages in the manufacturing and sales of consumer electronics, semiconductors and home appliances.

Rank	Customer	Products/Services Purchased	Transaction Amount	Percentage of Total Revenue	Year of Business Relationship	Business Background
			(RMB in millions)	*(%)*		
3 . . .	Customer G/ Supplier F	Mobile terminals, Computing and data center business, AIoT, Innovative business	10,901.4	9.9	2021	A Hong Kong-listed technology corporation headquartered in Shenzhen, China.
4 . . .	Customer H/ Supplier G	Mobile terminals, Computing and data center business, AIoT, Innovative business	8,789.2	8.0	2021	A technology corporation dual-listed on the New York Stock Exchange and the Hong Kong Stock Exchange, headquartered in Hangzhou, China.
5 . . .	Customer F	Mobile terminals, Computing and data center business, AIoT, Innovative business	8,559.6	7.8	2018	A corporation headquartered in Dongguan, China. It mainly engages in manufacturing and sales of mobile devices, along with video-audio equipment and software development.
For the Year Ended December 31, 2025						
1 . . .	Customer B/ Supplier A	Mobile terminals, Computing and data center business, AIoT	25,505.6	14.9	2008	A Hong Kong-listed corporation headquartered in Beijing, China. It focuses on smart devices, infrastructure solutions and related technical services.
2 . . .	Customer A/ Supplier B	Mobile terminals, Computing and data center business, AIoT	21,642.7	12.6	2016	A Korea-listed corporation headquartered in Seoul, South Korea. It mainly engages in the manufacturing and sales of consumer electronics, semiconductors and home appliances.
3 . . .	Customer G/ Supplier F	Computing and data center business	18,132.0	10.6	2021	A Hong Kong-listed technology corporation headquartered in Shenzhen, China.
4 . . .	Customer H/ Supplier G	Computing and data center business	14,627.7	8.5	2021	A technology corporation dual-listed on the New York Stock Exchange and the Hong Kong Stock Exchange, headquartered in Hangzhou, China.
5 . . .	Customer F	Mobile terminals, Innovative business	12,887.9	7.5	2018	A corporation headquartered in Dongguan, China. It mainly engages in manufacturing and sales of mobile devices, along with video-audio equipment and software development.

Note:

(1) Our top five customer during the Track Record Period did not consent to the disclosure of their name in this prospectus.

Our revenue from Customer A decreased by 39.9% from 2023 to 2024, mainly due to (i) declining component prices passed through into lower average selling prices of smartphones and tablets by 3.6% and 24.3%, respectively, from 2023 to 2024, and (ii) intensified competition among ODM manufacturers leading to a lower share of Customer A's smartphone and tablet orders, with the sales volume of smartphones and tablets decreasing by 38.4% and 60.0%, respectively, from 2023 to 2024. Our revenue from Customer A increased by 62.6% from 2024 to 2025, primarily because (i) higher sales volumes of smartphone products, with the procurement volume of such products by Customer A increasing by 156.0% as compared with 2024, and (ii) our successful expansion into new product categories.

During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their respective close associates or any Shareholders who own more than 5% of our issued share capital had any interest in any of our five largest customers during the Track Record Period, save for certain individuals who had de minimis and immaterial interests in certain of our historical customers through their holdings in such customers' publicly traded securities.

Set forth below is a summary of salient terms in our agreements with major customers.

Scope of work	The customer engages us to design, develop, manufacture and deliver complete devices. We supply products in accordance with the specifications detailed in the purchase order.
Duration	The term is typically one to three years.
Pricing	The prices are specified in the purchase order from time to time.
Payment	Payment is generally required by telegraphic transfer or irrevocable letter of credit.
Delivery	We are responsible for delivering the designated products to the destination specified by the customer, including bearing the transportation costs and responsibilities until the products reach the specified destination. Typically, risk transfers to the customer upon delivery. Where specific trade terms are agreed, the point at which risk transfers will be determined in accordance with those terms.
Minimum purchase requirements	Our agreements with our customers usually do not contain minimum purchase requirements.
Intellectual property	Unless otherwise agreed, each party retains ownership of its respective intellectual property in software and hardware design. All intellectual property and patent rights arising from products designed and developed for the customer under the guidance of the customer are owned by the customer. We may not independently apply for or protect such rights without the customer's prior written consent.
After-sales service	We offer after-sales services for one to five years from the product launch date. This includes supplying spare parts, components and accessories to support customers' after-sales needs. For digital infrastructure products, we provide maintenance and upgrade services for an agreed period, typically ranging from three to five years. We also support customization and furnish updates where technical improvements arise. These services are available at a mutually agreed price, depending on the material breakdown of the components plus shipping costs.
Termination	The agreements may be terminated upon expiry, by either party at any time with prior written notice, or by mutual consent.

During the Track Record Period, we did not enter into any exclusivity arrangements with our customers. During the Track Record Period and up to the Latest Practicable Date, we were in material compliance with the terms of agreements or purchases (as the case may be) with our major customers, and we had not experienced any circumstances leading to early termination of the agreement or any contractual disputes with or claims by our major customers that would have a material and adverse effect on our operations.

Pricing

Our pricing policy is driven by our core competitive strengths of product competitiveness and operational efficiency as a smart product platform. We apply a unified pricing strategy across our product portfolio under ODM model. Our pricing is determined based on the unit price of completed products. We consider various factors such as product costs, development expenses, product competitiveness, market demand and market competition dynamics, when formulating our pricing policies. As a general principle, we seek to structure our pricing so that the combined product costs, development expenses and margin are competitive or favorable within the market. In addition, we proactively optimize our product R&D and design plans to mitigate the impact of supply chain fluctuations.

Product Return and Quality Warranty

We work closely with our customers to address any quality concerns related to our products, ensuring a robust response to any issues that may arise. The products are tested by us before shipment. We recognize our sales upon delivery of the products, which can only be returned in case of a quality defect. In the case of a product defect, we may be responsible for repairing or returning the defective products if we cannot otherwise resolve the quality issues.

Our customers generally provide after-sales services to the end-users. We may, at our customers' request, supply spare parts, components and accessories for the after-sales services that they provide to end-users, either free of charge or at a mutually agreed price. We also offer technical support services to our customers' after-sales teams. For our digital infrastructure products, we generally provide one to three years of warranty. During the warranty period, our customers may request our technical support to replace or repair defective parts and components free of charge.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material warranty claims and/or any material product return and nor had we received any material complaints regarding our products.

PROCUREMENT

Procurement Model

Our primary raw materials comprised electronic components such as PCB, PA, resistor, capacitor and inductor, structural parts such as casings, metal parts and electromechanical part, and packaging materials. These raw materials and components are generally subject to market-driven, transparent pricing mechanisms. We source our raw materials from both within Chinese Mainland and overseas. The following table sets forth the breakdown of our raw material procurement by region as a percentage of our total procurement during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	(% of total procurement)		
Chinese Mainland	39.7	45.0	39.4
Hong Kong	30.2	30.0	30.5
Other countries and regions in Asia[(1)]	28.7	23.9	28.6
Others[(2)]	1.4	1.1	1.4
Total	**100.0**	**100.0**	**100.0**

Notes:

(1) Other countries and regions in Asia mainly include Singapore, South Korea, Taiwan, Malaysia, India, Vietnam and Japan.

(2) Others mainly include suppliers located in Europe and North America.

In addition, we also procure limited outsourced manufacturing services and external R&D and testing services to support manufacturing and innovation.

We mainly adopt a make-to-order procurement model, formulating and executing procurement plans based on customers' forecast plans and confirmed purchase orders. We typically receive forecast plans on a rolling basis from our customers prior to the issuance of formal purchase orders, primarily for the preparation of long-lead-time materials and supplier capacity planning. We commence manufacturing and delivery upon receipt of the formal purchase order. We primarily operate under two main procurement models: the self-procurement model and the Buy & Sell model.

- *Self-procurement:* we either operate under an independent procurement model or a customer-designated supplier model. Under the independent procurement model, we independently select qualified suppliers based on customer's quality requirements, considering the potential suppliers' reputation, pricing and historical cooperation. Where multiple qualified suppliers are available, we may conduct tenders or similar competitive processes to select the most suitable supplier. Purchase prices are usually determined through negotiation with the selected suppliers. Under the customer-designated supplier model, the customer designates specific suppliers, and we place orders and makes payments directly to those suppliers in accordance with our internal procurement policies and procedures.

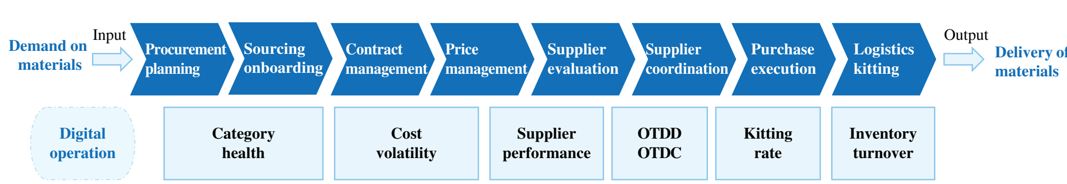
- *Buy & Sell model:* Under the Buy & Sell model, we place purchase orders with and makes payments to the customer for certain raw materials and components. We then sell the finished products to the customer, and the sales price includes the costs of the raw materials and components procured from the customer.

Procurement Policy and Procedure

We have established a comprehensive digital and intelligent procurement system, supported by a series of policies and procedures. Our entire procurement process operates through integrated digital platforms, ensuring systematic and transparent management across every stage — from material demand planning, supplier sourcing, contract and price management, procurement execution, logistics, to material acceptance. This end-to-end digitalization enhances efficient collaboration throughout our operational chain, provides effective risk control and strengthens regulatory compliance.

Leveraging advanced analytics and a procurement management dashboard, we monitor real-time procurement indicators such as category health, cost volatility, supplier performance, on-time delivery rate, material kitting rate and inventory turnover. These capabilities enable us to identify risks early, optimize our sourcing strategies and continuously improve procurement efficiency and quality.

The following charts illustrate the key stages through our procurement process.



Supply Chain Management

We have established a transparent and systematic supplier management framework that governs the entire supplier lifecycle — from initial admission and qualification through ongoing performance management and, where necessary, exit — to ensure fairness, compliance and operational resilience.

- *Supplier admission and qualification*: We require all suppliers to undergo a strict certification process coordinated by cross-functional teams from procurement, R&D, quality assurance, legal and finance. This assessment evaluates each candidate's compliance record, capabilities and overall suitability. Only suppliers meeting our standards are included on the qualified supplier list and may participate in our procurement process, ensuring fairness, transparency and competitiveness from the outset.

- *Ongoing supplier performance management*: We conduct regular supplier evaluations, monthly or quarterly, led by procurement, quality management and R&D teams. Suppliers are assessed across key dimensions including quality, cost, delivery and service. Evaluation results guide continuous improvement efforts and inform decisions on supplier retention or exit where performance does not meet our requirements.

- *Procurement compliance and blacklist management*: We have established clear procurement compliance boundaries and stringent supplier blacklist controls. Suppliers that breach our policies, such as compliance violations, significant quality issues or supply suspension, may be added to a blacklist, resulting in suspension or permanent removal from our qualified supplier list depending on the severity. Reinstatement is contingent upon completion of corrective actions and passing a renewed assessment.

- *Supplier risk management*: Our risk management framework continuously identifies and addresses risks across the procurement process, including material shortages, supplier operational weaknesses and unforeseen emergencies. This enables rapid response to disruptions, strengthens supply chain resilience, and supports stable and efficient business operations.

Our Suppliers

Our suppliers primarily include providers for raw materials, equipment and production consumables, as well as outsourced manufacturing service providers and external R&D and testing partners. The credit period granted by our suppliers was generally between 30 to 120 days during the Track Record Period.

During the Track Record Period, we entered into framework agreements with our suppliers. We did not enter into any exclusivity arrangements with our suppliers during the same period. The key contractual and commercial terms offered by domestic and overseas raw material suppliers are generally comparable. The terms of the agreement with our major suppliers align with standard commercial practices. The salient terms of such agreements are as follows.

Scope of supply	Suppliers agree to manufacture and supply, and we agree to purchase, specified materials or products under individual purchase orders. Suppliers must provide relevant documentation, support customs procedures, and continue supplying after-sales spare parts post-production. We generally do not include the minimum purchase commitments with suppliers.

Duration	The agreement is effective for three years and renews automatically each year unless either party provides written notice of termination at least ninety days in advance.
Pricing	Suppliers are generally required to offer us the most favorable pricing available, matching or beating prices offered to any other customer and avoiding post-mass production price increases. If market prices decline, suppliers must adjust prices for all unpaid products accordingly.
Payment	Payments are made upon successful delivery and acceptance, based on valid invoices. We reserve the right to offset any liquidated damages or compensation against payments due to suppliers.
Delivery	Suppliers are required to meet our delivery schedules and transfer title at delivery. Suppliers must update us within 48 hours regarding delivery plans and make necessary adjustments promptly. Penalties apply for late or incomplete deliveries.
Quality assurance and return policy	Suppliers must ensure supply quality, execute our Supplier Quality Agreement, and deliver new, compliant products with required documentation. No changes to design or manufacturing processes are permitted without our approval. We inspect deliveries and may claim or return noncompliant goods. Suppliers remain fully liable for quality issues and related compensation.
Termination	We may terminate the agreement unilaterally in cases of supplier default, misconduct, insolvency, unauthorized subcontracting or repeated breaches. Suppliers may terminate by providing ninety days' notice and ensuring continued supply, subject to our confirmation.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any breach of agreements by suppliers that resulted in suspension or interruption that would cause a material and adverse effect to our manufacturing operations. During the Track Record Period, we did not experience any significant shortage of raw material supplies, and the raw materials provided by our suppliers did not have any significant quality issues.

During the Track Record Period and up to the Latest Practicable Date, we complied with the terms of the agreements with our major suppliers in all material aspects, and we had not experienced any circumstances leading to early termination of the agreement or any contractual disputes with or claims by our major suppliers that would have a material and adverse effect on our operations.

For each year ended December 31, 2023, 2024 and 2025, purchases from our largest supplier accounted for 16.2%, 14.5% and 12.1% of our total procurement amount, respectively, while our five largest suppliers for the same periods accounted for 38.6%, 37.4% and 36.9% of our total cost of sales, respectively. We believe that we have a good cooperation relationship with our key suppliers.

The tables below set forth the details for each of our five largest suppliers for each year of the Track Record Period.

Rank	Supplier	Products/Services Provided	Transaction Amount	Percentage of Total Purchase	Year of Business Relationship	Business Background
			(RMB in millions)	*(%)*		
For the Year Ended December 31, 2023						
1 . . .	Customer B/ Supplier A	Packaging materials, electronic components and structural materials	11,217.4	16.2	2008	A Hong Kong-listed corporation headquartered in Beijing, China. It focuses on smart devices, infrastructure solutions and related technical services.
2 . . .	Customer C/ Supplier C	Packaging materials, electronic components and structural materials	4,662.9	6.7	2014	A Taiwan-listed corporation headquartered in Taiwan, China. It mainly engages in the manufacturing electronic products.
3 . . .	Supplier E	Electronic components and structural materials	3,754.6	5.4	2015	A corporation headquartered in Shenzhen, China. It mainly engages in semiconductor distribution and related technical services.
4 . . .	Customer A/ Supplier B	Packaging materials, electronic components and structural materials	3,692.3	5.3	2016	A Korea-listed corporation headquartered in Seoul, South Korea. It mainly engages in the manufacturing and sales of consumer electronics, semiconductors and home appliances.
5 . . .	Customer G/ Supplier F	Structural materials	3,500.7	5.0	2021	A Hong Kong-listed technology corporation headquartered in Shenzhen, China.
For the Year Ended December 31, 2024						
1 . . .	Customer B/ Supplier A	Packaging materials, electronic components, structural materials and outsourced manufacturing service	15,009.7	14.5	2008	A Hong Kong-listed corporation headquartered in Beijing, China. It focuses on smart devices, infrastructure solutions and related technical services.
2 . . .	Customer G/ Supplier F	Structural materials	8,808.0	8.5	2021	A Hong Kong-listed technology corporation headquartered in Shenzhen, China.
3 . . .	Customer H/ Supplier G	Packaging materials, electronic components and structural materials	6,840.8	6.6	2021	A technology corporation dual-listed on the New York Stock Exchange and the Hong Kong Stock Exchange, headquartered in Hangzhou, China.

Rank	Supplier	Products/Services Provided	Transaction Amount	Percentage of Total Purchase	Year of Business Relationship	Business Background
			(RMB in millions)	*(%)*		
4 . . .	Customer A/ Supplier B	Packaging materials, electronic components and structural materials	4,712.5	4.5	2016	A Korea-listed corporation headquartered in Seoul, South Korea. It mainly engages in the manufacturing and sales of consumer electronics, semiconductors and home appliances.
5 . . .	Supplier E	Electronic components	3,423.5	3.3	2015	A corporation headquartered in Shenzhen, China. It mainly engages in semiconductor distribution and related technical services.
For the Year Ended December 31, 2025						
1 . . .	Customer B/ Supplier A	Packaging materials, electronic components, structural materials and outsourced manufacturing service	18,892.2	12.1	2008	A Hong Kong-listed corporation headquartered in Beijing, China. It focuses on smart devices, infrastructure solutions and related technical services.
2 . . .	Customer H/ Supplier G	Packaging materials, electronic components and structural materials	13,496.5	8.6	2021	A technology corporation dual-listed on the New York Stock Exchange and the Hong Kong Stock Exchange, headquartered in Hangzhou, China.
3 . . .	Customer G/ Supplier F	Packaging materials, structural materials	12,226.9	7.8	2021	A Hong Kong-listed technology corporation headquartered in Shenzhen, China.
4 . . .	Customer A/ Supplier B	Packaging materials, electronic components	7,737.0	5.0	2016	A Korea-listed corporation headquartered in Seoul, South Korea. It mainly engages in the manufacturing and sales of consumer electronics, semiconductors and home appliances.
5 . . .	Supplier I	Packaging materials, electronic components and structural materials	5,261.9	3.4	2018	A private consumer electronic company headquartered in Dongguan, China, focusing on the design and manufacturing of smart devices.

Note:

(1) Our top five suppliers during the Track Record Period did not consent to the disclosure of their name in this prospectus.

During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their respective close associates or any Shareholders who own more than 5% of our issued share capital had any interest in any of our five largest suppliers during the Track Record Period, save for certain individuals who had de minimis and immaterial interests in certain of our historical suppliers through their holdings in such suppliers' publicly traded securities.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers in each period were also our suppliers, and certain of our five largest suppliers in each period were also our customers. This overlap is because of the adoption of our Buy & Sell model, under which we procure certain materials and/or components from our customers for our manufacturing. See "Procurement — Procurement Model" in this section. The Buy & Sell model provides us with ready access to materials and components that meet customers' technical specifications and quality standards, thereby supporting timely and reliable product delivery, enhancing operational efficiency and product quality, and contributing to customer satisfaction. It also enables customers to better manage price fluctuations and secure a stable supply of essential materials and components. According to CIC, this model is widely adopted in the industry, particularly under the ODM business model. Our sales to and purchases from such customers were conducted in the ordinary course of business and on normal commercial terms negotiated on an arm's length basis.

The following table sets forth the revenue generated from and procurement amounts incurred with each overlapping customer and supplier, as well as the types of materials purchased and the business under which the relevant products were sold for the periods indicated.

	Revenue amount			Procurement amount				
	2023	2024	2025	2023	2024	2025	Materials purchased	Business under which products were sold
				RMB (million)				
Customer A/ Supplier B	22,137.9	13,307.3	21,642.7	3,692.3	4,712.5	7,737.0	Packaging materials, electronic components and structural materials	Mobile terminals, computing and data center business, AIoT, innovative business
Customer B/ Supplier A	16,451.8	20,781.6	25,505.6	11,217.4	15,009.7	18,892.2	Packaging materials, electronic components, structural materials and outsourced manufacturing service	Mobile terminals, computing and data center business, AIoT, innovative business
Customer C/ Supplier C	6,235.0	N/A(1)	N/A(1)	4,662.9	N/A(1)	N/A(1)	Packaging materials, electronic components and structural materials	Mobile terminals, computing and data center business, AIoT, innovative business
Customer G/ Supplier F	4,271.0	10,901.4	18,132.0	3,500.7	8,808.0	12,226.9	Structural materials	Mobile terminals, computing and data center business, AIoT, innovative business
Customer H/ Supplier G	N/A(1)	8,789.2	14,627.7	N/A(1)	6,840.8	13,496.5	Packaging materials, electronic components and structural materials	Mobile terminals, computing and data center business, AIoT, innovative business

	Revenue amount			Procurement amount			Materials purchased	Business under which products were sold
	2023	2024	2025	2023	2024	2025		
	RMB (million)							
Customer E	4,694.0	N/A(1)	N/A(1)	844.2	N/A(1)	N/A(1)	Packaging materials, electronic components and structural materials	Mobile terminals, computing and data center business, AIoT
Customer F	5,613.7	8,559.6	12,887.9	1,021.6	2,354.5	5,159.1	Packaging materials, electronic components and structural materials	Mobile terminals, computing and data center business, AIoT, innovative business
Supplier I	N/A(1)	N/A(1)	2,959.2	N/A(1)	N/A(1)	5,261.9	Packaging materials, electronic components and structural materials	Mobile terminals, AIoT

Note:

(1) The respective customer/supplier is neither one of our five largest customers nor one of our five largest suppliers for the relevant year/period.

The salient terms of our sales agreement with our major customers under Buy & Sell model typically include the following:

Scope of supply	We procure certain materials and components from these customers and supply the finished products to them.
Payment arrangement	For transactions conducted under the Buy & Sell model, we separately account for and settle procurement payables and sales receivables, with distinct payment terms for each transaction.
Restriction on use of procured materials and/or components	We have full discretion over the use or disposal of materials and components acquired under the Buy & Sell model, but typically procure only amounts needed for actual production, with minimal use beyond manufacturing requirements.

WAREHOUSING AND LOGISTICS

We have established an integrated warehousing and logistics system to support the efficient storage, management, and distribution of materials and finished products across our manufacturing and supply chain operations.

Warehousing

Our warehouse operations include raw materials, finished goods, reverse logistics and spare parts management. As of December 31, 2025, we operated warehouses in a total of ten manufacturing parks both domestically and internationally, with a combined warehouse area of approximately 355,500 square meters, to manage raw materials, semi-finished products, and finished goods.

Our warehousing are operated as logistic center. By introducing advanced automated integration equipment and our self-developed warehouse management system, we have integrated key scenarios such as intelligent delivery scheduling, high-density storage, goods-to-person picking, and AGV delivery. Leveraging our labelling system and equipment upgrades, we have enabled digital management at every stage of the warehousing process. Real-time dashboards further drive efficiency improvements.

Logistics

Leveraging our strengths in supply chain management, we provide customers with comprehensive global logistics services that ensure efficient storage, management, and sales across the world.

To enhance customer satisfaction, we are generally responsible for delivering the products to our customers, unless the customer request to pick up the products themselves. As our products are generally with relatively high value and require efficient delivery, we maintain strict requirements and management over our logistics operations. This includes establishing regional transit warehouses and bonded warehouses to strengthen process control, increase transport efficiency, and reduce logistics costs. To support our global operations, we engage third-party logistics providers for our delivery both internationally and within China. As of December 31, 2025, we maintained a diversified logistics network through partnerships with eight external logistics service providers to support our global and regional needs. We adopt a dual-layer cooperation strategy. This strategy involves establishing both strategic and general partnerships with logistics providers based on their service capabilities, cost efficiency, and alignment with our business characteristics. Specifically, we select strategic logistics partners after carefully considering several key factors, including the company's size, available logistics resources, years of operation and risk management capabilities. These partners typically possess strong track records and are able to support our high standards for service quality, capacity, and responsiveness. With strategic partners, we conduct regular management reviews to monitor performance. Our aim is to foster long-term, collaborative relationships where both parties benefit through business partnership.

Responsibility for product loss, damage, or delivery delays is clearly delineated in our agreement with logistics providers. Generally, the logistics provider assumes liability for loss or damage to products during their custody, as well as for delivery delays attributable to their operations. In the event of a delivery failure or delay, we coordinate directly with the logistics provider to investigate and resolve the issue. Depending on the cause, compensation or remedial action may be sought from the provider under the agreed terms. For disputes with customers, our internal customer service team serves as the initial point of contact. They investigate issues, liaise with logistics providers, and arrange suitable remedies such as replacements or refunds under contractual terms. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material incidents or received material complaints in relation to delivery of goods to customers.

INVENTORY MANAGEMENT

Our inventory management strategy supports stable manufacturing, optimal resource utilization, and efficient working capital management across our global supply network. We plan inventory based on customer demand and market forecasts, with both annual and semi-annual reviews. We deploy advanced planning and scheduling tools and a structured materials classification methodology to ensure precise resource allocation. Our digital inventory management system integrates dynamic material requirements planning with real-time, end-to-end monitoring, supported by big data analytics and our enterprise resource planning platform. This enables us to continuously adjust procurement and manufacturing, ensuring inventory levels are tightly managed throughout the supply chain. We periodically review our inventories as part of our ongoing supply chain management, recognizing write-downs when carrying amounts fall below net realizable value to ensure accurate inventory valuation.

Our inventory turnover targets are customized according to the specific characteristics of different product categories, customers and business models. The targets are initially set at the customer level, then allocated to each order, and further refined to category-level safety stock targets based on material type, return cycle and manufacturing schedule. In addition, we conduct weekly rolling reviews of inventory and manufacturing status, enabling us to swiftly respond to changing customer requirements, ensure timely product delivery, and manage stock levels effectively.

COMPETITION

According to CIC, ongoing technological advancements and intensifying competition are shaping the global smart products market, as consumer demands diversify rapidly and product lifecycles shorten. Specifically, the global ODM penetration rate of consumer electronics, including smartphones, tablets, smart wearables and laptops, is projected to increase from 48.3% in 2025 to 58.3% in 2030, as measured by total global shipments by ODM companies as a percentage of total global shipments. According to CIC, in terms of the cumulative global ODM shipments of smartphones from 2020 to 2024, we were the world's largest smartphone ODM company, with a market share of 25.2%; in terms of global ODM shipments of smartphones in 2024, we were the world's second largest smartphone ODM company, with a market share of 25.9%. In addition, in terms of global ODM shipments, we ranked as the world's largest ODM company of both tablets and smart wearables and the fourth largest ODM company for laptops in 2024, according to CIC. In the meantime, the global digital infrastructure industry experienced substantial growth, with the market size in terms of revenue rising from RMB855.4 billion in 2020 to RMB3,467.2 billion in 2025, representing a CAGR of 32.3%. The market is projected to further grow to RMB10,245.2 billion by 2030, representing a CAGR of 24.2% from 2025 to 2030. In terms of revenue related to digital infrastructure business in China in 2024, we ranked sixth among all digital infrastructure providers in China, with a market share of 5.0%, according to CIC. See "Industry Overview."

With a leading position in the industry, extensive industry experience, strong R&D and design expertise, efficient manufacturing and operational capabilities, diverse product offerings as well as large and high quality customer base, we believe that we are well positioned to excel in the competition in the industry.

INTELLECTUAL PROPERTY

We consider our patents, trademarks, trade secrets and other intellectual property rights as one of the core factors on which our business depends. We rely on a combination of intellectual property laws, anti-unfair competition laws, non-disclosure agreements and other protective measures to protect our intellectual property rights. To protect our intellectual property rights, we strive to make timely registration, filing and application for intellectual property rights. As of December 31, 2025, we held approximately 3,500 domestic registered patents, over 50 international registered patents and approximately 2,100 material software copyrights. See "Statutory and General Information — Intellectual Property Rights." Further, we require our key R&D personnel and technical employees to enter into confidentiality and non-compete agreements that include clauses acknowledging that all inventions, trade secrets, development results and other know-how generated by them during their employment with us are our properties, and assigning to us any ownership rights that they may claim in those works. These arrangements ensure that intellectual property created during their tenure remains the property of our Group, safeguarding our innovations and maintaining our competitive edge in the market.

We undertake a proactive approach to manage our intellectual property portfolio and perform regular monitoring of our intellectual rights and take action when we are aware of a potential infringement of our intellectual property rights. We intend to protect our intellectual property rights vigorously, but there can be no assurance that our efforts will be successful. See "Risk Factors —We may not be able to adequately protect our intellectual property rights or trade secrets and may have intellectual property disputes, which may result in loss of market share to our competitors and affect our business and results of operations."

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, there had been no IP-related disputes, claims, lawsuits or arbitrations that have had a material adverse effect on our business in the PRC.

DATA SECURITY AND PERSONAL INFORMATION PROTECTION

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties, such as supplier information, complete machine product information, software test reports, material information, product line information, FPY and station-by-station information. Additionally, we collect and process personal information of our employees, job applicants, and visitors. We have not been identified or informed by the competent authority that we hold important data or core data. We do not utilize data with the intent to trade or sell it; instead, it arises inherently from our business operations.

Our servers are primarily located in the Chinese mainland, and our data storage and processing activities also mainly take place within the Chinese mainland. Along with the development of our business, we have currently established and maintained limited information systems in overseas countries such as India and Vietnam. We may also build or manage information systems in other countries/regions in the future. We only involve cross-border transmission of personal information from the Chinese mainland to overseas in few cases, mainly involving the transmission of employees' personal information within the Group.

To reinforce our data security and protection measures, we have established an Internal Control Committee, which is responsible for the overall policies and strategies for cybersecurity, data security and personal information protection; and we have set up an Information Security Department, which is responsible for the supervision and implementation of our security work; and we have appointed an Information Security Director, who is responsible for privacy compliance, data security and supervision of security preparation work and designated the Chief Security Officer (CSO) to bear ultimate responsibility for the overall preparation work. We have implemented formal policies, including Personal Information Security Protection Management Procedure, Data Security Management Manual, Information Asset Security Management Procedure, Data Classification and Grading Management Specification, Data Cleanup and Archiving Management Specification, Network Security Emergency Response Management Policy, Application System Security Development Specification, which clearly define roles, responsibilities, and enforcement mechanisms. Furthermore, we have implemented a series of measures for network and data security protection, including but not limited to data backup, data encryption, data desensitization, data access control, remote disaster recovery architecture, computer room security assurance, management and control of high-confidentiality projects, regular cybersecurity audits, such as vulnerability assessment and penetration testing, and device security management. In addition, to strengthen awareness, we provide training on data security, and cybersecurity for employees. We also maintain open feedback channels to promptly address security-related concerns.

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

AWARDS AND RECOGNITIONS

As of December 31, 2025, we had received numerous awards and recognitions for our brand, business operations, products and corporate responsibility achievements. The table below sets forth a summary of significant awards and recognitions that we have received.

Year	Awards/Recognition	Awarding Institution
2025 .	National Excellence Intelligent Factory (Nanchang Manufacturing Center) (國家卓越級智能工廠(南昌製造中心)	Ministry of Industry and Information Technology (工業和信息化部), National Development and Reform Commission (國家發展改革委), Ministry of Finance (財政部), State-owned Assets Supervision and Administration Commission of the State Council (國務院國資委), State Administration for Market Regulation (市場監督總局), National Data Administration (國家數據局)

Year	Awards/Recognition	Awarding Institution
	Fortune China Top 500: Rank 196	Fortune China
	OPPO Quality Excellence Award (OPPO卓越質量獎)	OPPO
	iF Design Award 2025	iF International Forum Design GmbH
	Wind ESG AAA	Wind Information Co., Ltd.
	China Top 500 Private Enterprises: Rank 90	All-China Federation of Industry and Commerce (中華全國工商聯合會)
2024 .	Lenovo Best Quality Award (聯想完美質量獎)	Lenovo Group
	Shanghai Municipal "Quality Benchmark" Award (上海市"質量標桿")	Shanghai Municipal Commission of Economy and Informatization (上海市經濟信息化委)
	Fortune China Tech Top 50	Fortune China
	Shanghai Top 100 Private Manufacturing Enterprises: Rank 2	Shanghai Enterprise Confederation (上海市企業聯合會), Shanghai Entrepreneur Association (上海市企業家協會), Shanghai Economic Group Federation (上海市經濟團體聯合會)
	EcoVadis Bronze Medal	EcoVadis
2023 .	vivo Excellence in Quality Award (vivo優秀質量獎)	vivo
	Shanghai Top 100 Private Enterprises: Rank 6	Shanghai Enterprise Confederation (上海市企業聯合會), Shanghai Entrepreneur Association (上海市企業家協會), Shanghai Economic Group Federation (上海市經濟團體聯合會)
	National Technical Innovation Demonstration Enterprise (國家技術創新示範企業)	Ministry of Industry and Information Technology (工業和信息化部)
	Samsung ODM Excellent Quality Award (三星ODM優秀質量獎)	Samsung

EMPLOYEES

We believe that our long-term growth relies on our sustained investment in our employee. We strive for mutual growth, balancing employee development with our Group's progress.

As of December 31, 2025, we had a total of 70,029 employees, among which 61,360 were located in China, 8,669 were located in overseas regions. The table below sets forth breakdowns of our employees by function as of December 31, 2025.

Function	Number of employees	Percent of total
Manufacturing	41,381	59.1
Technical (R&D)	19,961	28.5
Administration	7,904	11.3
Financial	440	0.6
Sales	343	0.5
Total	**70,029**	**100.0**

We enter into employment contracts with our employees. We also enter into confidentiality and non-compete agreements with our key R&D personnel and technical employees.

Our success depends on our ability to attract, retain and motivate qualified personnel. We recruit our employees based on a number of factors such as their work experience, educational background and our vacancy needs. Our recruiting efforts include on-campus recruiting, use of professional recruiters, online recruiting and internal referral.

We are committed to nurturing talent and have established a structured, progressive talent development system built on clearly defined pathways for employee advancement. We have launched the "Young Sequoia" (小紅杉) programme for new graduates, offering systematic training designed to familiarize them with our corporate culture, business management principles, and essential skills. In addition, we have developed an integrated, intelligent KMS (knowledge management system), which provides a wide array of online and offline learning resources. Our employee development framework consists of five modules, encompassing new employee onboarding, general skills training, professional expertise development, management capability building, and business operations proficiency. We operate both our online KMS learning platform and a series of targeted offline training programmes in parallel. Through initiatives such as the development of professional training academies, building our internal trainer network, sharing best practices internally, and introducing high-quality external courses, we implement comprehensive talent development and empowerment programmes.

We conduct periodic performance review for our employees. We evaluate employee performance through KPIs at the business level and personal business commitments at the individual level. Their remuneration is based on factors including performance, contributions, years of experience and qualifications.

Our Directors consider that our Group has maintained a good relationship with our employees and is expected to remain amicable in the future. During the Track Record Period and up to the Latest Practicable Date, there was no incident of disruption of work which had a material adverse impact on our operation, and no labor disputes or strikes which may have a material and adverse effect on our business, financial condition or results of operations.

INSURANCE

As required by PRC laws and regulations, we maintain government-mandated insurance and benefits for our employees, including medical, pension, unemployment insurance, occupational injury, maternity and housing provident fund. From an operational risk perspective, we have procured various commercial insurance policies, including property all-risk insurance, cargo transportation insurance, and commercial general liability insurance covering product liability and premises liability. We believe that our insurance coverage is in line with the industry practice. We procured insurance policies by type and amount that we consider sufficient and evaluated such insurance policies from time to time based on our past experience, changes in manufacturing and industry developments. During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulty in obtaining or applying for renewal of all necessary licences, permits and approvals that would have a material and adverse effect on our operations. We do not expect any impediment in renewing our material licences, permits and approvals as they expire in the future that would have a material and adverse effect on our operations.

PROPERTIES

We own and lease certain properties in China and Mexico and lease certain properties in overseas countries, including Vietnam, India, Japan and the United States. The properties we own and lease are primarily used for office, manufacturing, warehousing and staff dormitory purposes. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of November 30, 2025, each of our property interests had a carrying amount less than 15% of our combined total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all our interests in land or buildings.

Owned Land and Properties

As of the Latest Practicable Date, we had the right to use 21 parcels of land with a total gross land area of approximately 1,072,817 sq.m. located in China. As of the Latest Practicable Date, we owned 101 properties in China, with an aggregate area of approximately 2,031,375 sq.m. primarily used for storage, manufacturing, R&D, office and staff dormitory purposes. As of the Latest Practicable Date, we have not obtained the ownership certificates for one of the properties we used as offices and R&D facilities, and we were in the process of fulfilling the relevant procedures required for the ownership certificates for these properties. See "Risk Factor — We are subject to extensive regulatory permits, filings, certificates and approvals for our leased and owned properties." As of the same date, we owned two parcels of land in Mexico with a total gross land area of approximately 73,978 sq.m primarily used for manufacturing purpose. According to our PRC Legal Advisor, we are legally entitled to have ownership of such properties and to occupy, use, transfer, mortgage or otherwise dispose of such properties in accordance with applicable PRC laws. As of the Latest Practicable Date, the ownership of our properties had not been challenged by any third party and we had not been fined by any regulatory authorities for failure to obtain property ownership certificates.

Leased Properties

As of the Latest Practicable Date, we leased 44 properties in China for our manufacturing and operational purpose, with an aggregate area of approximately 1,080,876 sq.m. As of the same date, we leased 13 properties overseas, with an aggregate area of approximately 220,077 sq.m for manufacturing, office and warehousing purposes. As of the Latest Practicable Date, we had not received real estate ownership certificates or proof of authorizations from the lessors or the property owners for certain properties we leased in China, and the lease filing procedures of 38 leased properties had not been completed. See "Risk Factor — We are subject to extensive regulatory permits, filings, certificates and approvals for our leased and owned properties." As advised by our PRC Legal Advisor, these defects would not have material adverse effect on our use of the properties for our business. As of the Latest Practicable Date, we were not subject to any material claims arising from or in respect of any defect in our leasehold interest in any of our leased properties.

COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge after making all reasonable enquiries, we were not involved in any legal proceedings and litigations that would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

Compliance Matters

During the Track Record Period and up to the Latest Practicable Date, we did not commit any non-compliance of laws and regulations which individually or in the aggregate, in the opinion of our Directors, would have a material and adverse effect on our business, financial condition, or results of operations. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects.

COVID-19

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruption to our operations, raw material procurement or delivery schedule, or any material fluctuation in sales price or volume that was attributable to the COVID-19 pandemic. Therefore, the COVID-19 outbreak had not caused any material impact to our business operation and financial performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Driven by technological innovation and our industry-leading position, we create sustainable products, content, and ecosystems for our customers, advancing an equitable, green, and inclusive development agenda.

ESG Governance

ESG Governance Structure

We have integrated sustainability into our highest management level, establishing a four-tier ESG governance system led and supervised by the Board of Directors, Strategy and Sustainable Development Committee, ESG Executive Committee, ESG Office, and Five Key Modules. The Chairman Qiu Wensheng serve as the Chair of the ESG Executive Committee, while the Board Directors and the Co-founder Chen Xiaorong act as Executive Members and the Chief Sustainability Officer (CSO) to ensure the effective operation of the sustainability management system.

The Board of Directors serves as the top body of the Company's sustainable development affairs, leading and supervising the Company's ESG efforts, and approving ESG-related information disclosure documents. As the decision-making level, the Strategy and Sustainable Development Committee and the ESG Executive Committee are responsible for approving ESG development strategies, guidelines and goals; deciding on and implementing ESG development strategies, guidelines and goals, key plans, major matters; and reviewing important ESG risks and opportunities. The ESG Office and other departments related to sustainable development, serve as the main ESG management level. They are responsible for formulating ESG strategies, plans and goals; deploying and tracking ESG work; and promoting the implementation of major ESG tasks. Each department has set up a special working group, which is responsible for implementing the work corresponding to specific issues and regularly reporting work results.

ESG Risk Management

The Company has established a three-tier internal control and compliance system with a three-lines-of-defense structure, and implemented a risk management framework covering internal environment, risk assessment, control activities, information and communication, and internal monitoring to enhance risk identification, assessment, monitoring and mitigation. The Board of Directors leads and supervises risk management work, and also incorporates important ESG-related risks into strategic decision-making and key planning.

Resource Utilization

Energy Management

Major sources of energy consumption include gasoline, diesel, natural gas, purchased electricity from municipal grids, and self-generated photovoltaic green power. We have developed and implemented the Energy Management System and established an energy management mechanism led by the Energy Efficiency Leadership Group. We conduct energy-saving projects every year across four main areas: equipment replacement and upgrading, system optimization and transformation, energy management and control, and energy-saving advocacy. Simultaneously, we prioritize clean energy substitution through solar power installation and green electricity procurement, thereby progressively reducing its reliance on conventional energy sources.

Water Resource Management

The Company's main manufacturing processes and manufacturing operations do not involve large-scale industrial water usage. All water is sourced from municipal supply. We strictly adhere to local laws and standards in all operational locations, regularly assessing and managing water resource risks. We avoid large-scale water extraction in areas under water stress and adopt various methods such as optimizing water-use fixtures, installing water-saving devices, and strengthening water management to improve water efficiency.

During the Track Record Period, the Company's resources were utilized[(1)] as follows:

	Year Ended December 31,		
	2023	2024	2025
Energy Management			
Total Energy Consumption (MWh)[(2)]	414,914.3	527,745.0	814,812.3
Energy Consumption Intensity (MWh per RMB ten thousand in Revenue)	0.05	0.05	0.05
Water Resource Management			
Total Water Usage (Tons)	3,126,917.0	3,891,138.0	5,827,140.95
Water Usage Intensity (Tons per RMB ten thousand in Revenue)	0.4	0.4	0.3

Notes:

(1) The increase in total energy consumption and total water usage in 2025 compared to previous years is attributable to the expansion of the statistical boundary to include additional Chinese subsidiaries such as Innovation Sound (Shenzhen), Yilutai (Jiangxi), and Acoustic Innovation (Huizhou), as well as the manufacturing base in India.

(2) The Company's total energy consumption is calculated using the conversion factors provided in the General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

To enhance the efficient utilization of energy and water resources, we have set the following objectives based on our business characteristics and continuously track the annual progress: to save 500 million kWh of electricity via energy conservation initiatives from 2024 to 2028 and attain a clean energy substitution ratio of 40% by the end of 2028.

Emissions Management

Waste Management

We have established and implemented the Waste Management Specification, strengthening control over various aspects such as the selection of disposal vendors, waste classification, waste recycling and reuse, and waste reduction. We set a clear management target to achieve a 98% responsible disposal and reuse rate for solid waste by the end of 2026.

For general solid waste, we conduct identification and classification in designated waste rooms in accordance with the *Solid Waste Identification Standards*. Certified third-party agencies are engaged for responsible disposal (including recycling, reuse, thermal treatment). For hazardous waste, we carry out classified collection based on the *National Hazardous Waste Catalogue*, and have constructed dedicated hazardous waste storage facilities. Designated personnel manage and handle hazardous waste in specially designed rooms, with all hazardous waste containers clearly labeled with detailed information.

Wastewater Management

The Company's main wastewater is domestic sewage, with minor process wastewater generated from its three precision manufacturing centres. Accredited third parties are engaged annually to monitor key indicators including Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Suspended Solids, Ammonia Nitrogen and Total Phosphorus to ensure regulatory compliance and prevent water pollution. The Company operates wastewater treatment and reclaimed water systems to improve the recycling rate of wastewater from air compressor dehumidification and central air-conditioning cooling towers, thereby reducing total discharge. Physical isolation and process control are adopted between production and domestic wastewater facilities.

Air Pollution Control

We strictly comply with the laws and standards of the locations where we operate, and engage qualified environmental monitoring institutions. Each manufacturing center conducts regular monitoring of air pollutants at least once a year. We regularly clean and maintain the exhaust systems and their treatment devices, and install special purification devices to treat cooking fumes from canteens, ensuring that all waste gas treatment facilities meet emission standards.

During the Track Record Period, the Company's pollutant emissions[1] are as follows:

	Year Ended December 31,		
	2023	2024	2025
Waste			
Total Waste Emissions (Tons)	33,699.3	42,950.1	57,892.7
Waste Emission Intensity (Tons per RMB million in Revenue)	0.4	0.4	0.3
Hazardous Waste Emissions (Tons)	493.6	2,425.4	2,791.9
Hazardous Waste Emission Intensity (Tons per RMB million in Revenue)	0.006	0.022	0.020
Non-Hazardous Solid Waste Emissions (Tons)	33,205.7	40,524.7	55,100.8
Non-Hazardous Solid Waste Emission Intensity (Tons per RMB million in Revenue)	0.4	0.4	0.3
Wastewater Management			
Total Wastewater Discharge (m^3)[2]	2,459,600.0	3,144,597.5	4,287,029.7
Wastewater Discharge Intensity (m^3/RMB ten thousand in Revenue)	0.3	0.3	0.3
Waste Gas Management			
SOx Emissions (kg)[3]	10.2	83.2	1,524.2
NOx Emissions (kg)[4]	808.9	2,481.0	3,026.3
PM Emission (kg)	2,161.4	12,254.0	11,083.0

Notes:

(1) In 2024, the Company's data statistics boundary expanded to include Nanchang Chunqin Precision Technology Co., Ltd. and RQ Technology Electronics Vietnam Company Limited and the production capacity of some factories has expanded, leading to an increase in emission data.

(2) The total wastewater discharge data in 2025 covers only the subsidiaries and factories in China and Vietnam. We will also continue to enhance the completeness and accuracy of the relevant data.

(3) The main reason for the significant increase in SOx emission data in 2025, compared with previous years is the expanded production output of some factories.

(4) The NOx emission data in 2025 covers only some of the subsidiaries and factories that have conducted testing.

Climate Change Response

In terms of climate governance, we integrate climate governance into the ESG governance framework, clearly defining the responsibilities of the board and management. This covers all aspects of operations, research and development, and manufacturing, and is systematically extended to the supply chain, ensuring the orderly advancement of climate change-related matters and the achievement of goals.

We conduct scenario analysis with reference to the two representative concentration pathways (RCPs) of the Intergovernmental Panel on Climate Change (IPCC), and carry out quantitative climate risk assessment for 8 manufacturing centers in China as well as the Vietnam Manufacturing Center. The assessment identifies medium-to-long-term climate risk exposure across these facilities, including physical risks such as extreme temperatures, droughts, snowfall and floods, for which we have implemented responsive measures. We evaluate transition risks and opportunities from evolving regulations and market preferences, and pursue clean technology and renewable energy projects to strengthen climate adaptation and mitigation.

With reference to the national "dual carbon" strategy and its operational conditions, the Company has set clear climate targets: aiming for an average annual reduction of 3% in carbon emission intensity by 2030 (2023 base year), achieving carbon peak in own operations by 2030, carbon neutrality at its three major R&D centres in Shanghai, Wuxi and Xi'an by 2040, and overall operational carbon neutrality by 2050.

In managing Scope 3 greenhouse gas emissions, we have institutionalized the conduct of Scope 3 carbon emission inventory, which is managed and collected by administrative and operational colleagues. It covers four categories of significant impact to the Group's operations: Category 1 – Purchased Goods and Services (partial), Category 5 – Waste Generated in Operations, Category 6 – Business Travel, and Category 9 – Downstream Transportation and Distribution. The calculations are based on the 2006 IPCC Guidelines and the 2022 China Product Life Cycle Greenhouse Gas Emission Factor Database. Given the complexity of Scope 3 emissions, our current core objective is to continuously expand the breadth and depth of data coverage, progressively incorporating more relevant emission sources into the statistical scope. Over the next two years, we plan to consistently extend carbon emission data management and disclosure to key suppliers, systematically evaluate and pilot the inclusion of additional categories such as Category 7 – Employee Commuting and Category 4 – Upstream Transportation and Distribution into the annual inventory.

We have implemented a series of measures: launching a green logistics initiative to cut mileage via online systems, and introducing a low-carbon flight tag in booking systems for business travel. We have also rolled out a sustainable supply chain program, providing energy management training and technical transformation support to underpin our low-carbon transition.

Regarding the management of greenhouse gas emission indicators, we have developed and implemented the *Greenhouse Gas Control Management System*. In accordance with the GHG Protocol greenhouse gas accounting system, we consistently track and calculate over 20 emission sources within the Company's operational scope. During the Track Record Period, the Company's greenhouse gas emission are as follows:

	Year Ended December 31,		
	2023	2024	2025
Greenhouse Gas Emissions			
Greenhouse Gas Emissions (Scope 1) (Metric tons of CO_2 equivalent)[1]	5,217.7	7,316.2	8,201.9

	Year Ended December 31,		
	2023	2024	2025
Greenhouse Gas Emissions (Scope 2) (Metric tons of CO_2 equivalent)[(2)]	203,335.2	217,560.0	321,078.7
Greenhouse Gas Emissions (Scope 3) (Metric tons of CO_2 equivalent)	22,108.7	27,838.8	37,925.6
Total Greenhouse Gas Emissions (Metric tons of CO_2 equivalent)[(3)]	230,661.6	252,715.0	367,206.2
Greenhouse Gas Emission Intensity (Metric tons of CO_2 equivalent/RMB million in Revenue)	2.7	2.3	2.1

Notes:

(1) Direct greenhouse gas (GHG) emissions (Scope 1) are calculated based on National Greenhouse Gas Inventories (the 2006 IPCC Guidelines) and the China Energy Statistical Yearbook 2022.

(2) Indirect GHG emissions (Scope 2) are calculated using emission factors from the 2022 National, Regional and Provincial Average Carbon Dioxide Emission Factors for Electricity published by the Ministry of Ecology and Environment and the National Bureau of Statistics of China, the 2023 Vietnam Grid Emission Factor Evaluation Results released by the Department of Climate Change, Ministry of Natural Resources and Environment of Vietnam and the Executive Summary on Power Sector released by Government of India Ministry of Power Central Electricity Authority.

(3) The increase in total greenhouse gas emissions in 2025 compared to previous years is attributable to the expansion of the statistical boundary to include additional Chinese subsidiaries such as Innovation Sound (Shenzhen), Yilutai (Jiangxi), and Acoustic Innovation (Huizhou), as well as the manufacturing base in India.

Employee Rights and Health & Safety

We strictly adhere to labor standards and comply with the laws and regulations of all its operating sites worldwide. We have developed and implemented stringent policies such as the *Juvenile and Child Labor Protection Policy*, *Anti-Discrimination and Anti-Harassment Policy*, etc., strictly prohibiting child labor, forced labor, and human trafficking, ensuring equal treatment and respects all individuals while maintaining zero tolerance for any form of discrimination, harassment, or bullying. We articulate the principles for protecting employees' rights and interests and ensuring fair labor practices, which are applicable to the operations of the Group and all its subsidiaries, and require suppliers and business partners to adhere to these principles accordingly.

Theme	Management Principles	Risk Mitigation Measures
Fair Employment	• Uphold fairness, justice, openness, and equality in recruitment, ensuring equal employment opportunities to candidates regardless of ethnicity, race, region, nationality, etc.	• Conduct self-checks in recruitment processes to ensure no discriminatory conditions or statements
Prohibition of Forced Labor	• Do not transport, harbor, recruit, transfer, or receive such labor or services through threats, coercion, force, abduction, or deception	• Upon receiving any report, take immediate corrective actions and provide protection and assistance to the affected individuals
Integrity and Compliance Management	• The policy outline standards of ethical behavior, anti-bribery rules, and conflict of interest policies	• All employees are required to sign the Integrity and Self-Discipline Commitment

In accordance with the Safety Production Responsibility Standards and Environmental, Health, and Safety (EHS) Management Policy, the Company enforces a comprehensive safety production responsibility system. Intelligent safety systems, including electronic patrol inspection and real-time monitoring for high-risk areas, are adopted to prevent safety incidents. The Company strengthens hazard identification, risk control and rectification in the manufacturing process to achieve closed-loop management. We set up procedures ensure proactive preparation with emergency plans, reinforced safety awareness, quick and effective responses during incidents, and prompt rectification and ongoing communication afterward to minimize the risk of injury and property damage. For employees injured at work, the Company offers paid work injury leave, reimburses medical expenses, and provides compensation for work-related disabilities, ensuring that injured employees receive timely medical treatment and financial compensation.

During the Track Record Period, the Company's occupational health and safety performance is as follows:

	Year Ended December 31,		
	2023	**2024**	**2025**
Number of Work Days Lost Due to Work-Related Injuries[1] (Days)	374	652	1,555
Occupational Disease Incidence Rate (%)	0	0	0
Percentage of Employee Fatalities Due to Work-Related Accidents (%)	0	0	0
Average Hours of Safety Training per Employee (Hours/Person)	25.2	24.3	25.7

Notes:

(1) The increase in Number of Work Days Lost Due to Work-Related Injuries in 2024 and 2025 compared to previous years is attributable to the expansion of statistical coverage to include additional subsidiaries and factories. Specific additions to the reporting boundary are detailed in the footnotes of the preceding Environmental section data.

Product Responsibility

In the event of product quality issues, we follow the product recall process to protect customer rights and interests. During the Track Record Period, the Company did not experience any product recall incidents.

We continually enhance our customer-service system, committing to oppose any form of unfair competition or false advertising and to respect customer rights. Customer information is collected only through lawful means and with explicit consent, and is used solely to deliver and improve services.

Supply Chain Management

At the supplier onboarding stage, we require suppliers to hold system certifications in key sustainable development areas and sign agreements that include CSR clauses. We have established a supply continuity risk management system covering all business areas, continuously monitors the environmental and social impacts of the supply chain. For products containing relevant raw materials, we conduct Reasonable Country of Origin Inquiry (RCOI) and due diligence. We require suppliers to sign the *Conflict Minerals-Free Commitment Letter* and give priority to selecting suppliers that have implemented effective energy-saving technological transformation measures.

Anti-Corruption

The Company adheres to the bottom line of integrity and compliant operation. It has released the *Employee Handbook* and *Huaqin Integrity Management Policy*, which clearly define ethics, professional conduct, prohibitions on bribery, and conflict of interest requirements covering all employees. The Company organizes compliance and anti-corruption training, and requires suppliers to comply with the Company's integrity management regulations and the anti-corruption laws of the countries where they operate, and to sign the *Supplier Integrity and Self-Discipline Commitment*. We also provide multiple open and unobstructed reporting channels for all stakeholders, accept and treat both named and anonymous reports equally, and commit to strictly keeping whistleblowers' information confidential.

Community Responsibility

The Company has consistently focused on five key areas, including "Grant-aided Education, Environmental Protection and Carbon Reduction, Health Assistance to the Disabled, Assistance to the Poor and the Weak, and Disaster Relief Support." During the Track Record Period, we have invested a cumulative total of RMB5.3912 million in public welfare initiatives and launched 17 public welfare projects.

TRANSFER PRICING

We operate through subsidiaries in several countries and regions, mainly including China, Hong Kong, India, Singapore, and Vietnam. These subsidiaries primarily engage in manufacturing, product sales, and the provision of support services. Our subsidiaries perform different functions, mainly including R&D, manufacturing, and distribution. We conduct intra-group transactions among our subsidiaries as part of our ordinary course of business.

The following table sets out the nature and amount of our primary intra-group transactions during the Track Record Period.

Type of transaction	Year ended December 31,		
	2023	2024	2025
		(RMB in millions)	
Sales and purchases of tangible goods . . .	145,727.6	166,262.4	246,903.5
Service and others(1)	12,557.4	12,488.4	15,573.1

Note: Others primarily include rental and royalty income/expenses.

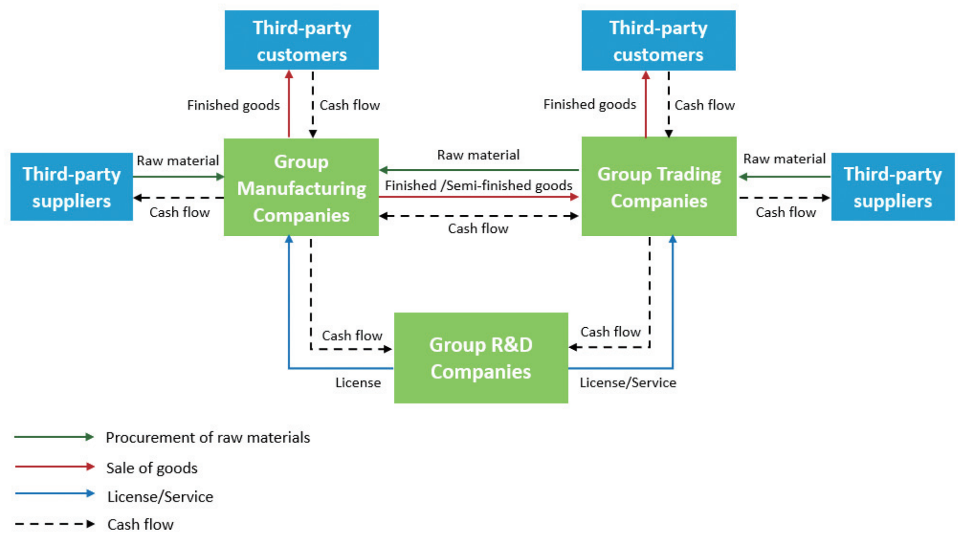
The following entities are our major subsidiaries performing different functions:

- **Group R&D Companies:** Huaqin Co., Ltd. (華勤技術股份有限公司) and other R&D companies (collectively, the "Group R&D Companies")

- **Group Manufacturing Companies:** Dongguan Huabei Electronic Technology Co., Ltd. (東莞華貝電子科技有限公司) ("Dongguan Huabei"); Nanchang Huaqin Electronic Technology Co., Ltd. (南昌華勤電子科技有限公司) ("Nanchang Huaqin"); Nanchang Qinsheng Electronic Technology Co., Ltd. (南昌勤勝電子科技有限公司) ("Nanchang Qinsheng"); Guangdong Ruiqin Technology Co., Ltd. (廣東瑞勤科技有限公司) ("Guangdong Ruiqin"); EVEX TECHNOLOGY CO., LTD (廣東遠圖未來科技有限公司) ("EVEX TECHNOLOGY"); and other manufacturing companies (collectively, the "Group Manufacturing Companies")

- **Group Trading Companies:** Huaqin Telecom Hong Kong Limited (華勤通訊香港有限公司) ("Huaqin Hong Kong"); and other trading companies (collectively, the "Group Trading Companies")

The following diagram sets forth the transaction flow and fund flow in respect of the intra-group Transactions:



The roles and functions of each of the relevant subsidiaries in our Group for the transfer pricing arrangement are summarized as below:

Group R&D Companies:

- Primarily engaged in R&D, responsible for innovation, product design, and the development of technical solutions.
- The Group R&D Companies own the key technical intangible assets and license them to the Group Manufacturing Companies and Group Trading Companies for use in manufacturing and service activities. In return, the Group R&D Companies receive royalty and service fee payments as appropriate compensation for the use of these intangibles and provision of services.

Group Manufacturing Companies

- Primarily engaged in manufacturing and production activities based on orders from the customers and the Group Trading Companies.
- The Group Manufacturing Companies primarily source raw materials from third-party suppliers and Group Trading Companies, conduct production activities and sell the products either directly to third-party customers or through Group Trading Companies. These entities are primarily responsible for manufacturing, quality control, warehousing, and logistics.

Group Trading Companies	• Primarily engaged in sourcing, sales and distribution activities. • Conduct procurement and sales activities based on the needs of manufacturing and group customer orders, mainly responsible for order processing, shipment arrangement, logistics tracking, and other supportive functions.

Transfer pricing arrangements for such intra-group transactions should be on an arm's-length basis according to the transfer pricing guidelines for multinational enterprises and tax administrations (the "**OECD Transfer Pricing Guidelines**") promulgated by the Organization for Economic Cooperation and Development (the "**OECD**"), an international organization of international cooperation. In this regard, we have engaged a professional tax consultancy firm in the PRC (the "**Transfer Pricing Adviser**") to review, analyze, and evaluate potential risks in accordance with the OECD Transfer Pricing Guideline and applicable laws and regulations. After assessing our transfer pricing arrangements during the Track Record Period, our Directors are of the view, based on the advice provided by our Transfer Pricing Adviser, these transfer pricing arrangements were, in all material respects, broadly consistent with the arm's length principle under both the OECD Transfer Pricing Guidelines and the relevant local transfer pricing laws and regulations in the applicable jurisdictions. During the Track Record Period and up to the Latest Practicable Date, we had not been made aware of any inquiries, audits, investigations, or challenges by the relevant tax authorities in the jurisdictions in which we operate with respect to our intra-group transactions. Accordingly, the risk that our Group will be required to make formal transfer pricing adjustment or pay additional taxes in significant amounts is considered to be relatively low.

RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations.

Operational Risk Management

We developed a robust risk management system monitoring and addressing risks in our daily operations, such as the management of (1) our internal financial records, (2) company chops, seals and signatures, (3) key properties, and (4) business files. To ensure the continuity of our business, we have put in place contingency plans for detecting and responding to emergency incidents. In the event of an emergency incident, our contingency plans set out prescribed response protocols applicable to our various business units. We continue to assess the effectiveness of our contingency plans, and would perform reviews after each emergency incident to identify potential areas for improvement. We also conduct regular emergency response drills to ensure our employees are familiar with our response protocols.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as accounting records management policy, invoice management policy, budget management policy, treasury management policy, financial statement preparation policy and finance department and staff management policy. We have various procedures in place to implement our accounting policies, and our financial department reviews our management accounts based on such procedures.

Foreign Currency Fluctuation Risk Management

During the Track Record Period, we apply hedge accounting to foreign currency forwards that we assess as highly effective hedges against our exposure to currency risk. We have established clear internal guidelines and procedures for identifying, measuring and managing currency risks. All hedging activities are conducted within a structured and consistent risk management framework, ensuring that our approach remains prudent and aligned with best practices.

Information System Risk Management

We have implemented relevant internal procedures and controls to ensure that user data is protected, and that leakage and loss of such data is avoided. During the Track Record Period and up to the Latest Practicable Date, we did not experience any information leakage or loss of user data that would have a material and adverse effect on our operations. We have instituted and implemented stringent information system monitoring procedures. These procedures involve the regular generation of monitoring logs, which meticulously record the operational status of our information system network equipment, network traffic, user activities, exceptions, and information security events. We also dedicated information system administrators to review the security situation to maintain high standards of data integrity and security. This review process includes examining authorized access, privileged operations, attempts at unauthorized access, system failures, and anomalies.

Regulatory Compliance Risk Management

In order to manage our ongoing compliance with the laws and regulations applicable to our business effectively, we have implemented several internal control measures. In particular, we designated personnel to regularly monitor changes in laws, regulations and policies issued by the relevant government authorities in the regions in which we operate to ensure we obtain requisite licenses to operate our business, and we have an up-to-date understanding of the applicable requirements. In addition, we monitor and review the status of our licenses and permits on a regular basis. We continually improve our internal compliance policies according to changes in laws, regulations and industry standards, and update our internal contract terms accordingly.

Internal Control Risk Management

We have designed and adopted strict internal control procedures to ensure the compliance of our business operations with the relevant rules and regulations. In accordance with these procedures, our in-house legal department reviews and updates the forms of contracts that we enter into, examines the contract terms and reviews all relevant documents for our business operations, and is responsible for obtaining any requisite governmental pre-approvals or consents. We have strictly prohibited our employees from receiving kickbacks, bribing others, or secretly receiving commissions or any other personal benefits.

Human Resources Risk Management

Our internal human resource management system covers all the stages of employment relationship, from recruitment to probation, appraisal, promotion and review, and exit. We have in place an employee handbook and a code of conduct approved by our management and have distributed them to all our employees. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular trainings, as well as resources to explain the guidelines contained in the employee handbook.

Credit Risk Management

We implement policies to control our credit exposure. We assess the creditworthiness of our customers based on their financial condition, the possibility of obtaining third-party guarantees, credit history, and other factors such as current market conditions. Appropriate credit periods are set accordingly. To further mitigate credit risks, we regularly monitor our customer's credit records. For customers with poor credit history, we adopt measures such as sending written reminders, shortening the credit period, or canceling the credit period altogether. These practices ensure that our overall credit risk remains within a manageable range.

Internal Audit

We have established an Audit and Risk Management Committee to monitor the implementation of our risk management policies across our Group on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. We also maintain an internal audit department, which is responsible for reviewing the effectiveness of internal controls and reporting any identified issues to the Audit and Risk Management Committee and senior management. The internal audit department reports to the Audit and Risk Management Committee to ensure that any major issues identified are channeled to the committee on a timely basis. The Audit and Risk Management Committee then discusses the issues and corresponding measures to address them, and reports to the board of directors, if necessary.

IMPLICATIONS OF INTERNATIONAL SANCTIONS AND EXPORT CONTROLS

U.S. Sanctions

U.S. sanctions consist of both primary sanctions and secondary sanctions. U.S. primary sanctions generally prohibit U.S.-nexus transactions (e.g., transactions settled in USD or those involving U.S. persons) involving embargoed countries and regions, individuals, entities and organizations that have been designated as Specially Designated Nationals ("SDNs") by OFAC and entities owned 50% or more by one or more SDNs. Meanwhile, U.S. secondary sanctions authorize sanctions on non-U.S. persons who engage in certain significant or material transactions benefiting SDNs and entities owned 50% or more by one or more SDNs.

As advised by our U.S. Export Control and Sanctions Counsel, no member of our Group is listed on the Entity List issued by BIS or any other U.S. government sanctioned or prohibited party lists, including the SDN List, the Foreign Sanctions Evaders List, or the Sectoral Sanctions Identifications List maintained by OFAC, the Denied Persons List, or Unverified List maintained by the U.S. Department of Commerce, the Nonproliferation Sanctions list maintained by the U.S. Department of State, or other similar lists issued by the U.S. government.

In addition, our U.S. Export Control and Sanctions Counsel is of the opinion that we did not engage in any Primary Sanctioned Activity or Secondary Sanctioned Activity during the Track Record Period.

U.S. Export Control

During the Track Record Period, two of our customers were listed on the Entity List. We have ceased to any business activities with one of the customers after such customer was added to the Entity List in 2023. During the Track Record Period, the revenue generated from this customer accounted for less than 0.1% of our total revenue.

While we still manufacture certain products for the other customer ("**Customer I**"), as advised by our U.S. Export Control and Sanctions Counsel, the products we provided for Customer I during the Track Record Period were not subject to the EAR.

Customer I is on the BIS Entity List and is subject to the Footnote 1 foreign direct product rule ("FN1 FDP Rule") under the EAR. According to the FN1 FDP Rule, a BIS license would be required if we have "knowledge" that the products (including items incorporated into the products) we manufacture for Customer I are a direct product of certain designated U.S. software and technology or are produced by any plant or major component of a plant that is the direct product of certain designated U.S. software and technology. None of our component suppliers has informed us, and we otherwise have no reason to suspect, that any of the items being supplied that are incorporated into the products that we manufacture for Customer I are subject to the EAR pursuant to the FN 1 FDP Rule. When subsequently manufacturing products for Customer I, we did not use any equipment (production or testing equipment) that is a direct product of U.S.-origin software or technology based on prior information provided by our suppliers. As such, the products we manufactured for Customer I during the Track Record Period were not subject to the EAR.

We have implemented internal control measures to ensure compliance with relevant laws and regulations. Specifically, for products manufactured for Customer I, we conduct a compliance assessment reviewing information about the counterparty, end user and end use, planned sales region, components, software, technology and equipment used, production and delivery location, logistics route, after-sales spare parts and any third-party service providers before the launch of each project.

In addition, during the Track Record Period, we procured certain items subject to the EAR from our suppliers for incorporation into the products we manufactured. The EAR asserts jurisdiction over the export, reexport, and transfer (in-country) of "dual-use" items (including commodities, software and technology) subject to the EAR. Items subject to the EAR include U.S.-made items, items physically in the U.S. as well as certain non-U.S.-made items. Depending on the destination country, end-user, end use and the export control classification number (ECCN) of the item, transferring, exporting or re-exporting an item subject to the EAR may (i) not require a U.S. export license, or (ii) require a U.S. export license unless a license exception is available. As advised by our U.S. Export Control and Sanctions Counsel, although some of the items the Group procured during the Track Record Period are subject to the EAR, all of such items subject to the EAR procured by the Group can be exported by our suppliers to the Group without a U.S. export license based on the ECCNs of such items and the corresponding export license requirements under the relevant ECCNs. Accordingly, the receipt of these items by our Group are not subject to any U.S. export license requirements or export control restrictions. On the basis of the foregoing, we are of the view that the procurement of such items does not, and is not expected to, have any material adverse impact on our business operations or financial condition.

Tariffs

Trade and tariff policy with respect to China has remained fluid in the second Trump Administration. Starting in February 2025, the U.S. imposed significant tariffs on imports from China, including two sets of tariffs under the International Economic Emergency Powers Act ("IEEPA"). These measures prompted reciprocal tariffs from China and other countermeasures, including various controls on exports of rare earth elements and critical minerals to the United States. After a brief escalation of tariffs on Chinese goods to a baseline of 145% in April and May 2025, the parties agreed to suspend heightened tariffs as negotiations continued. On November 1, 2025, the U.S. and China announced their agreement to relax certain tariff and other trade controls. The United States has lowered the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points of the cumulative rate of 20%, effective November 10, 2025, and continued its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026. On February 20, 2026, the U.S. Supreme Court ruled that the President lacked authority to impose tariffs under IEEPA, rendering void ab initio the reciprocal and fentanyl-related tariffs on goods imported from China, so that the Group's goods imported into the United States are no longer subject to IEEPA tariffs. The Trump Administration has sought to replace these with a 10% tariff under Section 122 of the Trade Act, effective from February 24, 2026, which, subject to certain exclusions set out in Annex II to the February 20 Proclamation, will generally apply in addition to existing Section 301 tariffs on a range of imports from China imposed during President Trump's first term. The United States has also further extended the expiration of certain Section 301 tariff exclusions until November 10, 2026. Some of the Group's products were imported into the United States during the Track Record Period and were subject to different levels of U.S. tariffs. These products were subject to a tariff ranging between 20% and 55% (later, 10% to 45%) based on their respective U.S. HTS codes. This rate includes (i) a Section 301 tariff ranging between 0% and 25%, (ii) a 10% tariff under IEEPA, and (iii) a reciprocal 10% tariff (on some of the products). Effective February 24, 2026, the applicable tariff rate will comprise (i) a Section 301 tariff ranging from 0% to 25% and (ii) a temporary Section 122 tariff of 10% on certain products.

On January 15, 2026, the White House issued a Proclamation relating to the U.S. Department of Commerce's ("Commerce") investigation into imports of semiconductors and semiconductor derivatives (which could include downstream consumer electronics) under Section 232 of the Trade Expansion Act. The Proclamation imposes a 25% tariff on certain advanced computing chips and derivatives products (the "Covered Products"), as listed the Annex to the Proclamation. Covered Products include semiconductor articles imported under subheadings 8471.50, 8471.80, and 8473.30 of the Harmonized Tariff Schedule ("HTS") that are logic integrated circuits meeting specified technical parameters. The 25% tariff applies to Covered Products entered for consumption after January 15, 2026, but has significant exclusions for most U.S. domestic use cases. For example, the Section 232 duties on semiconductors do not apply to Covered Products being used for U.S. data centers, research and development in the U.S., consumer applications, civil industrial applications, and use by startups. The Group's products imported into the United States are likely not Covered Products or will be covered by one or more of these exclusions. The Trump Administration may decide in the future to impose additional tariffs, quotas, or other trade controls on electronics products produced by the Company as a result of this investigation.

Generally, these tariffs have had limited directed impact on our business operations. In the vast majority of our transactions, our customers are responsible for import taxes and tariffs. Only in limited circumstances, where delivery is made under DDP (Delivered Duty Paid) terms, do we bear these costs directly when exporting products to certain countries, such as Singapore, Germany and Dubai. None of these DDP transactions involved shipments to the U.S. For each year or period during the Track Record Period, the total amount of tariff paid by us represented less than 0.03% of our revenue for the same period. Based on best-effort statistics, revenue from products indirectly shipped to the United States, including PCs, tablets, smart wearables and AIoT products, accounts for approximately 10% of our total revenue during the Track Record Period. Other than the above-described tariffs, as advised by our U.S. Export Control and Sanctions Counsel, our products are currently not subject to any other trade protection measures in the U.S.

Tariff, Export Control and Supply Restriction Risk Management

Our exposure to tariff risks primarily arises when our customers seek to pass on part or all of the increased tariff burden to us, regardless of whether our products are sold to them directly or ultimately resold to them. They may request us to share the increased tariff costs, or reduce their purchase volume or demand lower prices in response to tariffs, which could have material adverse impact on our financial performance. During the Track Record Period, there had been no requests from customers to cancel orders, suspend delivery, or renegotiate price, order quantity, payment, or any other material terms as a direct result of any trade policies or tariff regulations. However, in such cases, customers may request us to share the increased tariff costs, or reduce their purchase volume or demand lower prices, which could have material adverse impact on our business, financial condition and results of operations. We are also subject to import and export control regulations, supply-related restrictions, particularly those affecting the supply of key components and technologies. See "Risk Factors – We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, export control, economic or trade sanctions and investment restrictions."

To address these risks, we have strengthened our global manufacturing footprint by expanding into Vietnam, Mexico and India. This enables us to respond flexibly to international uncertainties and diverse customer needs. Our overseas facilities can supply certain markets such as the United States at more favourable tariff rates. This flexibility allows us to allocate production, manage costs and maintain stable supply despite shifts in global trade policy and export controls. In addition, we closely monitor developments in global and regional trade policies and tariff regulations and conduct regular assessments of relevant tariff regimes in certain jurisdictions such as the United States. We regularly review pricing, supply chain arrangements, and our market and customer mix to reduce reliance on high tariff exposure regions. Furthermore, we adopt a flexible sourcing model for key components to mitigate the impact of export restrictions. Regarding potential supply-related restrictions, we leverage our R&D and design capabilities to ensure our products are compatible with and adaptable to a wide range of component from both domestic and overseas manufacturers. We conduct regular reviews and adjust procurement and product configurations to comply with applicable regulatory requirements and meet individual customer needs, and provide alternative products where needed. In terms of key material supply, the key contractual and commercial terms offered by domestic suppliers and overseas suppliers are broadly comparable. As of Latest Practicable Date, we have not experienced any significant disruption in key materials supply or any material delay or cancellation of orders as a result of any potential supply-related restrictions.

OVERVIEW

As of the Latest Practicable Date, Mr. Qiu Wensheng is a direct beneficial owner of 48,746,040 Shares of our Company and controls 321,300,000 Shares of our Company through Shanghai Aoqin and 56,700,000 Shares of our Company through Shanghai Haixian. Both Shanghai Aoqin and Shanghai Haixian are ultimately controlled by Mr. Qiu Wensheng. In addition, Mr. Qiu Wenhui, brother of Mr. Qiu Wensheng, is a direct beneficial owner of 18,060 Shares of our Company and controls 13,750,943 Shares of our Company through Fujian Yuexiang, which was held by Mr. Qiu Wenhui as to 90% as a limited partner and as to 10% by Ms. Lin Min (the spouse of Mr. Qiu Wenhui) as the general partner of Fujian Yuexiang. Ms. Lin Min has taken up the role as the general partner of Fujian Yuexiang purely based on the marital property arrangement between Mr. Qiu Wenhui and Ms. Lin Min. Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui and Fujian Yuexiang are the parties acting in concert with Mr. Qiu Wensheng pursuant to applicable PRC laws. In addition, as advised by our PRC Legal Advisor, Ms. Lin Min is the general partner of Fujian Yuexiang, and Fujian Yuexiang is deemed to be controlled by Ms. Lin Min pursuant to the applicable PRC laws and the partnership agreement of Fujian Yuexiang. Therefore, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang were in aggregate entitled to exercise the voting rights attached to 440,515,043 Shares and approximately 43.37% of our Shares in issue and constituted our Controlling Shareholders Group as of the Latest Practicable Date pursuant to the applicable PRC laws and regulations and Rule 19A.14 of the Listing Rules.

Immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang will be entitled to exercise in aggregate the voting rights attached to approximately 41.01% of our Shares in issue. Assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang will be entitled to exercise in aggregate the voting rights attached to approximately 40.30% of our Shares in issue. Accordingly, Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui, Ms. Lin Min and Fujian Yuexiang will remain as the Controlling Shareholders Group of our Company upon Listing.

Shanghai Aoqin is a limited liability company established under the laws of the PRC on September 5, 2008, whose principal business is investment management, and is controlled by Mr. Qiu Wensheng as to 51% and 12 other shareholders, who were employees of the Group at the time of grant of incentive shares and none of whom held 30% or more interest therein. Shanghai Haixian is a limited liability company established under the laws of the PRC on October 13, 2008, whose principal business is investment management, and is controlled by Mr. Qiu Wensheng as to 51% and 12 other shareholders, who were employees of the Group at the time of grant of incentive shares and none of whom held 30% or more interest therein. Both Shanghai Aoqin and Shanghai Haixian were established to serve as the early-stage employee incentive platforms for the Company's senior management team and core personnel who joined the Group at an early stage and do not have any substantive operations or investments other than holding Shares in the Company. Fujian Yuexiang is a limited partnership established under the laws of the PRC on October 26, 2017, whose principal business is investment management, and is held by Mr. Qiu Wenhui as to 90% and Ms. Lin Min, its general partner, as to 10%.

Mr. Qiu Wensheng is the founder, chairman of the Board, an executive Director and general manager of our Company. See "Directors and Senior Management — Directors" for more details. Mr. Qiu Wenhui does not currently hold any position in the Group. See "History and Corporate Structure" for the simplified corporate structure of our Group.

Minority Shareholders of Shanghai Aoqin and Shanghai Haixian

Each of Shanghai Aoqin and Shanghai Haixian is held as to 51% by Mr. Qiu Wensheng, with the remaining 49% interest in each company held by 12 other shareholders (collectively, the "**Minority Shareholders**"). The Minority Shareholders were employees of the Group at the time of grant of incentive shares in Shanghai Aoqin and Shanghai Haixian. A breakdown of the shareholding percentages held by each shareholder of Shanghai Aoqin and Shanghai Haixian are set out below:

Name of shareholder of Shanghai Aoqin and Shanghai Haixian	Current position with the Group	% held in Shanghai Aoqin	% held in Shanghai Haixian
Mr. Qiu Wensheng	Chairman of our Board, executive Director and general manager	51%	51%
Mr. Cui Guopeng (崔國鵬)	Vice chairman of our Board and executive Director	15%	15%
Mr. Wu Zhenhai (吳振海)	Executive Director and deputy general manager	11%	11%
Ms. Chen Xiaorong (陳曉蓉)	Executive Director	8%	8%
Ms. Xi Pinghua (奚平華)	Executive Director and chief financial officer	1%	1%
Mr. Deng Zhiguo (鄧治國)	Executive Director and deputy general manager	3%	3%
Mr. Zou Zongxin (鄒宗信)	Deputy general manager	3%	3%
Mr. Zhang Wenguo (張文國)	Deputy general manager	1.4%	1.4%
Mr. Ruan Quan (阮泉)	Mid-level management member	1%	1%
Mr. Pu Zanling (濮贊嶺)	N/A (Former employee)	2%	2%
Mr. Lou Zhengjun (樓正軍)	N/A (Former employee)	1.6%	1.6%
Mr. Nie Zhigang (聶志剛)	N/A (Former employee)	1%	1%
Mr. Zhuang Xianhui (莊顯會)	N/A (Former employee)	1%	1%

Each of Shanghai Aoqin and Shanghai Haixian is controlled and managed by Mr. Qiu Wensheng, who holds 51% equity interest therein and serves as the chairman of the board of directors of each of Shanghai Aoqin and Shanghai Haixian. The Minority Shareholders are not regarded as part of the Controlling Shareholders Group, as (i) none of the Minority Shareholders individually holds 30% or more interest in each of Shanghai Aoqin or Shanghai Haixian, or controls any controlling voting power or veto power in Shanghai Aoqin or Shanghai Haixian; (ii) the Minority Shareholders do not have any formal or informal acting in concert relationship, pursuant to applicable PRC law, contract or otherwise, and do not have any collective power to control Shanghai Aoqin or Shanghai Haixian; (iii) the Minority Shareholders have not entered into and have not had any acting in concert or voting proxy arrangement in respect of their voting rights nor have any understanding or intention to align their voting rights in any way at the level of Shanghai Aoqin or Shanghai Haixian; and (iv) none of the Minority Shareholders has control over the management or operation of Shanghai Aoqin or Shanghai Haixian. Accordingly, the Minority Shareholders are unable to individually or collectively control the management or operation of Shanghai Aoqin or Shanghai Haixian and are not regarded as part of the Controlling Shareholders Group.

RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of members of our Controlling Shareholders Group had any interest in any business which competes, or is likely to compete, either directly or indirectly, with our business and would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETE UNDERTAKINGS

Each of Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian and Fujian Yuexiang executed a non-compete undertaking in June 2022, pursuant to which each of them has undertaken, amongst others, that:

(i) apart from his/its interest in our Group, he/it shall not directly or indirectly develop, engage in or participate in the investment of any business which competes or may potentially compete directly or indirectly with the principal businesses of our Company or its subsidiaries whether in or outside of China;

(ii) if, for any reason, any entities directly or indirectly controlled by each of them (other than our Group) (the "Restricted Entities") directly or indirectly engages in a business which competes or may potentially compete with the business of our Company or its subsidiaries:

  (a) our Company shall have the priority to engage in such business and the Restricted Entities shall not engage in such business. If requested by our Company, he/it shall transfer all the interests in the Restricted Entity, and undertake to grant to our Company a pre-emptive right on such interests, and shall use his/its best endeavours to procure such transaction to be conducted on a fair and reasonable price and on normal commercial terms; or

  (b) procure that the Restricted Entity promptly transfer or cease such business.

(iii) where he/it discovers any new business opportunity which competes or may potentially compete directly or indirectly with the principal business of our Company or its subsidiaries, he/it shall promptly notify our Company, and shall use his/its best endeavours to procure that such business opportunity be first offered to our Company or its subsidiaries on fair and reasonable terms and conditions;

(iv) he/it will not make use of his/its status as a Shareholder of our Company to limit or impact the operation of the Group in the detriment of the interests of our Group or other minority Shareholders; and

(v) he/it shall be liable for all economic loss suffered by our Company as a result of a breach of the above undertakings.

RESTRICTIONS ON TRANSFER

Each of Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wensheng and Fujian Yuexiang entered into lock-up undertakings in connection with our Company's A Share listing. As of the Latest Practicable Date, all of the Shares held by the Shanghai Aoqin, Shanghai Haixian and Fujian Yuexiang and 48,494,040 of the Shares held by Mr. Qiu Wensheng were subject to restrictions on transfer and must not be transferred or entrusted to others for management and will remain subject to such restrictions until February 7, 2027 (exclusive).

INDEPENDENCE OF OUR GROUP FROM OUR CONTROLLING SHAREHOLDERS GROUP

Our Directors are of the view that our Group is capable of carrying on its business independently from our Controlling Shareholders Group following the completion of the Global Offering for the following reasons.

Management Independence

Our daily management and operational decisions are made collectively by our executive Directors and our senior management, with our Board having an overall supervision of our management. Our Board comprises six executive Directors and three independent non-executive Directors, and we have a team of 11 senior management members (four of whom are our executive Directors). All of our Directors, including the independent non-executive Directors, have the requisite qualifications, integrity and experience to maintain an effective Board. We also have sufficient members of our management team who are independent from our Controlling Shareholders Group and have the adequate relevant experience to ensure the normal operation of the day-to-day business and management of our Group. We consider that our Directors and senior management of our Company can independently perform their duties in our Company and operate independently from our Controlling Shareholders Group for the following reasons:

(i) save for (a) Mr. Qiu Wensheng (our founder, chairman of the Board, executive Director and general manager) being a member of our Controlling Shareholders Group; and (b) each of Mr. Cui Guopeng (the vice chairman of our Board and executive Director) and Mr. Wu Zhenhai (our executive Director and deputy general manager) holding the position as a director in both Shanghai Aoqin and Shanghai Haixian without any executive or management role, all of our other Directors and members of our senior management team are independent from our Controlling Shareholders Group, and are capable to contribute sufficient time and efforts to manage the daily operations of our Group. Mr. Qiu Wenhui and Ms. Lin Min does not currently hold any position in our Group. In addition, the management personnel of our Company have clear reporting lines, and ultimately the management team reports to our Board. Our Board supervises and monitors the performance of our Company's management team generally through regular meetings of our Board and extraordinary meetings of our Board to consider, deliberate and approve material matters which exceed the delegated authorities of management team, as well as the regular updates of operational and financial data and information that are provided to our Directors. See "Directors and Senior Management — Directors" for biographical details of our Directors and senior management;

(ii) each of our Directors is aware of his/her fiduciary duties as a director of our Company which requires, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(iii) the Articles of Association has made relevant provisions to avoid conflict of interest, and that our Directors are prohibited from voting in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest. Mr. Qiu Wensheng has abstained and will abstain from voting in Board meetings in respect of matters in relation to himself and/or his associates;

(iv) our Board has a balanced composition of executive Directors and independent non-executive Directors, which ensures the independence of our Board in making decisions affecting our Group and can promote the interest of the Company and its Shareholders as a whole. Specifically, (a) our independent non-executive Directors are not associated with members of our Controlling Shareholders Group or their respective associates; (b) we have three independent non-executive Directors, which accounted for one-third of the Board; and (c) our independent non-executive Directors individually and collectively possess the requisite experience, knowledge and competence as independent directors of listed companies and will be able to provide professional and balanced advice to the Board. Accordingly, our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interests of our Company and the Shareholders as a whole. See "Directors and Senior Management — Directors" for biographical details of our independent non-executive Directors; and

(v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders Group which would support our independent management. See "— Corporate Governance Measures" for further details.

In light of the above, we believe that our Group can be managed independently from members of our Controlling Shareholders Group and their respective close associates.

Operational Independence

Our Company has been operating, and will continue to operate after Listing, independently from our Controlling Shareholders Group. Our Group makes and implements operational decisions independently of our Controlling Shareholders Group and has our own organizational structure with independent departments, including our own business units, R&D department, sales and marketing department and other administrative functions (such as administration, finance, human resources, legal and compliance and company secretarial functions), 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 our Controlling Shareholders Group. Our Company also maintains a set of comprehensive internal control measures to facilitate the effective operation of our business. Our Company also has independent channels to gain access to our customers, suppliers and business partners, and is not dependent on our Controlling Shareholders Group in these respects. Our Group has our own employees who are primarily recruited through both internal referrals and external sources (such as campus recruitment, recruitment websites and third-party recruiters) to operate the business and can independently manage its human resources. We have obtained relevant licences, approvals and permits from relevant regulatory authorities which are material to our operations in the PRC. Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders Group and will continue to be so after the Listing.

Financial Independence

We have adopted our own independent audit, financial management and internal control systems and also have an independent accounting and finance department responsible for discharging relevant accounting, financial management and treasury functions, which are all independent from members of our Controlling Shareholder Group and their respective close associates. We make financial decisions and determine our use of funds according to our own business needs. We have adequate internal resources and a strong credit profile to support our daily operation. Moreover, our Board has established the Audit and Risk Management Committee to provide independent oversight to, among others, our accounting and financial reporting processes.

We open and manage our bank accounts independently, and have not shared any bank account with our Controlling Shareholders Group. We are also capable of obtaining financing from third parties, without reliance on our Controlling Shareholders Group. We do not expect to rely on our Controlling Shareholders Group or any of their close associates for financing after the Listing as we expect that our working capital will be primarily funded by cash generated from our business operation, and external financing. No loan or guarantee has been provided by, or granted to, our Controlling Shareholders Group or their respective associates during the Track Record Period and as of the Latest Practicable Date.

In light of the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders Group.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of sound corporate governance in protection of our Shareholders' interests. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance, upon Listing. In order to further avoid potential conflicts of interest, we have implemented or will implement the following measures to strengthen the protection of our Shareholders' interests:

(i) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest;

(ii) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into any connected transaction with any member of our Controlling Shareholders Group or their respective associates, our Company will comply with the applicable requirements under the Listing Rules;

(iii) we are committed that our Board shall include a balanced composition of executive Directors and independent non-executive Directors. We appointed three independent non-executive Directors as of the Latest Practicable Date, and believe our independent non-executive Directors (a) possess sufficient experience; (b) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement; and (c) will be able to provide impartial and independent opinion to protect the interests of our Shareholders as a whole. In the event that our independent non-executive Directors are requested to consider or review any conflict of interest circumstances involving our Controlling Shareholder Group, the independent non-executive Directors will be provided with all necessary information for consideration and will be allowed to seek advice from independent professionals (such as financial advisors or legal advisors) at the expense of our Company;

(iv) we have appointed Somerley Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws in Hong Kong and the Listing Rules, including various requirements relating to directors' duties and corporate governance, upon Listing; and

(v) as required by the Listing Rules, if there exists any continuing connected transaction with the Controlling Shareholder Group, our independent non-executive Directors shall review any such continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favourable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

DIRECTORS

Upon Listing, our Board will consist of nine Directors, including six executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and shall be subject to re-election upon the expiry of their respective term of office. The following table sets out certain information in respect of our Directors.

Name	Age	Position(s)	Date of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Qiu Wensheng (邱文生)	52	Chairman of our Board, executive Director and general manager	August 29, 2005	November 19, 2020(1)	Responsible for overseeing the strategic planning, business direction and daily operations and management of our Group
Mr. Cui Guopeng (崔國鵬)	49	Vice chairman of our Board and executive Director	August 29, 2005	November, 19 2020(1)	Responsible for the strategic management of operations and investment and financing activities of our Group
Mr. Wu Zhenhai (吳振海)	53	Executive Director and deputy general manager	January 26, 2006	November 19, 2020(1)	Responsible for the overall management and daily operation of the technology center of our Group
Ms. Chen Xiaorong (陳曉蓉)	54	Executive Director	December 19, 2005	November 19, 2020(1)	Responsible for human resources and corporate planning of our Group
Ms. Xi Pinghua (奚平華)	52	Executive Director and chief financial officer	December 27, 2010	November 19, 2020(1)	Responsible for the overall financial management of our Group
Mr. Deng Zhiguo (鄧治國)	47	Executive Director and deputy general manager	September 1, 2005	November 16, 2023(2)	Responsible for the overall management and daily operation of the data center business division of our Group
Mr. Hu Saixiong (胡賽雄)	58	Independent non-executive Director	November 19, 2020	November 19, 2020(1)	Responsible for providing independent advice and judgment to the Board
Mr. Huang Zhiguo (黃治國)	48	Independent non-executive Director	November 19, 2020	November 19, 2020(1)	Responsible for providing independent advice and judgment to the Board
Dr. Yu Fang (余方) .	49	Independent non-executive Director	January 27, 2025	January 27, 2025(3)	Responsible for providing independent advice and judgment to the Board

Notes:

(1) The dates of the appointment refer to the first appointment of the relevant positions in our Company after its conversion into a joint stock company with limited liability on November 19, 2020. For the details of the conversion, see "History and Corporate Structure – Conversion into Joint Stock Limited Company and Listing on the Shanghai Stock Exchange."

(2) The appointment of Mr. Deng Zhiguo as a Director was approved by the Board on October 30, 2023 and approved by the shareholders' general meeting on November 16, 2023.

(3) The appointment of Dr. Yu Fang as an independent non-executive Director was approved by the Board on January 6, 2025 and approved by the shareholders' general meeting on January 27, 2025.

Executive Directors

Mr. Qiu Wensheng (邱文生), aged 52, is the chairman of the Board, executive Director and general manager of our Company. Mr. Qiu founded our Group in August 2005 and has been serving as the chairman of the Board, a Director and general manager of our Company since November 2020. He was re-designated as an executive Director in August 2025. Mr. Qiu is primarily responsible for overseeing the strategic planning, business direction and daily operations and management of our Group.

From August 2005 to November 2020, he was successively the general manager and chairman of Huaqin Co., Ltd. (華勤技術有限公司). Before founding the Company, Mr. Qiu held various positions at 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 Main Board of the Stock Exchange (stock code: 0763)), including serving as the software engineer, head of the mobile software department, head of the mobile systems department and general manager of the global mobile communications system handset product line, from July 1998 to August 2005.

Mr. Qiu has been appointed as a non-executive director of Nexchip Semiconductor Corporation (合肥晶合集成電路股份有限公司) ("Nexchip") (a company listed on the Shanghai Stock Exchange (stock code: 688249) since September 2025 following the Group's acquisition of minority interest in Nexchip. As a non-executive director, Mr. Qiu is responsible for providing advice to the board of directors of Nexchip and is not involved in the day-to-day management or operation of Nexchip.

Mr. Qiu obtained a bachelor's degree in mechanical engineering from Tsinghua University (清華大學) in the PRC in July 1995 and a master's degree in chemical process machinery from Zhejiang University (浙江大學) in the PRC in June 1998.

Mr. Cui Guopeng (崔國鵬), aged 49, is the vice chairman of our Board and executive Director of our Company. Mr. Cui joined our Group in August 2005 and has been serving as a Director and the vice chairman of our Board of our Company since November 2020. He was re-designated as an executive Director in August 2025. Mr. Cui is primarily responsible for the strategic management of operations and investment and financing activities of our Group.

From August 2005 to November 2020, he held various positions at Huaqin Co., Ltd. (華勤技術有限公司), including serving as the vice president of marketing, senior vice president of strategic cooperation and director. Prior to joining our Group, Mr. Cui worked at 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 Main Board of the Stock Exchange (stock code: 0763)), from April 2001 to May 2005, holding positions including the research and development engineer and manager and marketing manager and director.

Mr. Cui obtained a bachelor's degree in aerospace propulsion engineering in July 1998 and a master's degree in aerospace propulsion theory and engineering in April 2001, both from Northwestern Polytechnical University (西北工業大學) in the PRC. He also obtained an executive master of business administration (EMBA) from China Europe International Business School (中歐國際工商學院) in the PRC in September 2010.

Mr. Wu Zhenhai (吳振海), aged 53, is the executive Director and deputy general manager of our Company. Mr. Wu joined our Group in January 2006 and has been serving as a Director and deputy general manager of our Company since November 2020. He was re-designated as an executive Director in August 2025. Mr. Wu is primarily responsible for the overall management and daily operation of the technology center of our Group.

From January 2006 to November 2020, Mr. Wu held several senior management positions at Huaqin Co., Ltd. (華勤技術有限公司), being responsible for research and development, quality system, X-Lab, process and IT systems as well as our technology center. Mr. Wu also holds directorship in various major subsidiaries of the Company, including Nanchang Qinsheng Electronic Technology Co., Ltd. (南昌勤勝電子科技有限公司) and Huaqin Telecom Hong Kong Limited (華勤通訊香港有限公司). Prior to joining our Group, he worked at 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 Main Board of the Stock Exchange (stock code: 0763)), holding positions including an engineer, the head of the software department and head of the systems department between April 1999 and January 2006.

Mr. Wu obtained a bachelor's degree in computer software from Xidian University (西安電子科技大學) in the PRC in July 1993 and a master's degree in computer software and theory from Xi'an Jiaotong University (西安交通大學) in the PRC in April 1999.

Ms. Chen Xiaorong (陳曉蓉), aged 54, is the executive Director of our Company. Ms. Chen joined our Group in December 2005 and has been serving as a Director of our Company since November 2020. She was re-designated as an executive Director in August 2025. Ms. Chen is primarily responsible for human resources and corporate planning of our Group.

From December 2005 to November 2020, Ms. Chen held several senior management positions in supply chain management, human resources, planning, general manager of business units and director at Huaqin Co., Ltd. (華勤技術有限公司). Ms. Chen also holds directorship in various major subsidiaries of the Company, including Dongguan Huabei Electronic Technology Co., Ltd. (東莞華貝電子科技有限公司) and Nanchang Huaqin Electronic Technology Co., Ltd. (南昌華勤電子科技有限公司). Prior to joining our Group, she worked at Shanghai University (上海大學) after graduation. She served as the logistics director of the global mobile communications system handset product line at 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 Main Board of the Stock Exchange (stock code: 0763)), from March 1999 to December 2005.

Ms. Chen received a bachelor's degree in electromagnetic field and microwave technology from Shanghai University (上海大學) in the PRC in July 1994, and an executive master of business administration (EMBA) from China Europe International Business School (中歐國際工商學院) in the PRC in October 2013.

Ms. Xi Pinghua (奚平華), aged 52, is the executive Director and chief financial officer of our Company. Ms. Xi joined our Group in December 2010 and has been serving as a Director and chief financial officer of our Company since November 2020. She was re-designated as an executive Director in August 2025. Ms. Xi is primarily responsible for the overall financial management of our Group.

Ms. Xi was the senior vice president of finance at Huaqin Co., Ltd. (華勤技術有限公司) from December 2010 to November 2020. Prior to joining our Group, she served at 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 Main Board of the Stock Exchange (stock code: 0763)), between December 2003 and December 2010.

Ms. Xi obtained a master's degree in forestry economic management from Northeast Forestry University (東北林業大學) in the PRC in April 2000 and an executive master of business administration (EMBA) from China Europe International Business School (中歐國際工商學院) in the PRC in August 2014.

Mr. Deng Zhiguo (鄧治國), aged 47, is the executive Director and deputy general manager of our Company. Mr. Deng joined our Group in September 2005 and has been serving as a Director and the deputy general manager of our Company since November 2023. He was re-designated as an executive Director in August 2025. Mr. Deng is primarily responsible for the overall management and daily operation of the data center business division of our Group.

From September 2005 to November 2020, Mr. Deng held various positions in Huaqin Co., Ltd. (華勤技術有限公司), including serving as an engineer and engineering director, business unit general manager and senior vice president. Mr. Deng also serves as the executive director of EVEX TECHNOLOGY CO., LTD (廣東遠圖未來科技有限公司), one of our major subsidiaries of the Company. Prior to joining our Group, he served at Simcom Information Technology (Shanghai) Co., Ltd. (希姆通信息技術(上海)有限公司) from April 2004 to September 2005.

Mr. Deng obtained a bachelor's degree in applied electronic technology from Qingdao University (青島大學) in the PRC in June 2000 and a master's degree in communications and information systems from Shanghai University (上海大學) in the PRC in April 2004.

Independent Non-Executive Directors

Mr. Hu Saixiong (胡賽雄), aged 58, was appointed as an independent non-executive Director in November 2020. Mr. Hu is primarily responsible for providing independent advice and judgement to the Board.

From July 1991 to October 1998, Mr. Hu worked at Chongqing Chuanyi Co., Ltd. (重慶川儀股份有限公司), currently known as Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603100)) as research and development engineer and sales supervisor. Between October 1998 and May 2014, he served at Huawei Technologies Co., Ltd. (華為技術有限公司) as associate director of product line, head of the cadre department and director of the cadre reserve system. From May 2014 to January 2019, he was engaged in corporate management consulting as a freelancer. From January 2019 to July 2020, he was vice president of Contemporary Amperex Technology Co., Ltd. (寧德時代新能源科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300750) and the Main Board of the Stock Exchange (stock code: 3750)).

Since December 2021, Mr. Hu has served as the executive director and general manager of Shenzhen Qianhai Sixiang Jinglang Enterprise Management Co., Ltd. (深圳前海思想驚浪企業管理有限公司). Since August 2022, he has served as a supervisor at Shenzhen Qianhai Chuangming Zhenzhi Enterprise Management Co., Ltd. (深圳前海創明真知企業管理有限公司), and since May 2024, as a supervisor of Shenzhen Qianhai Sichuang Zhenhua Enterprise Management Co., Ltd. (深圳前海思創真華企業管理有限公司).

Mr. Hu obtained a bachelor's degree in modern applied physics from Tsinghua University (清華大學) in the PRC in July 1991.

Mr. Huang Zhiguo (黃治國), aged 48, was appointed as an independent non-executive Director in November 2020. Mr. Huang is primarily responsible for providing independent advice and judgement to the Board.

From September 1998 to December 2012, Mr. Huang served at Midea Group Co., Ltd. (美的集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000333) and the Main Board of the Stock Exchange (stock code: 0300)), holding positions including the manager of the chairman's secretariat, founding dean of Midea College and director of operations and human resources of the small appliances management committee. From January 2013 to October 2014, he served as the senior vice president and general manager of the South China division and director of the corporate management department at Changsha Broad Homes Industrial Group Co., Ltd. (長沙遠大住宅工業集團股份有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 2163)).

Mr. Huang currently serves as an executive director and manager at Changsha Yutaishu Management Consulting Co., Ltd. (長沙市玉台塾管理諮詢有限公司) and Hunan Zhichuang Network Technology Co., Ltd (湖南職闖網絡科技有限公司).

Mr. Huang graduated with a major in financial accounting from Yueyang University (岳陽大學) (currently known as Hunan Institute of Science and Technology (湖南理工學院)) in the PRC in July 1998 and a master's degree in executive business administration from Sun Yat-sen University (中山大學) in the PRC in June 2009.

Dr. Yu Fang (余方), aged 49, was appointed as an independent non-executive Director in January 2025. Dr. Yu is primarily responsible for providing independent advice and judgement to the Board.

From September 2005 to May 2007, Dr. Yu was a senior lecturer at the Carlson School of Management, University of Minnesota. From May 2007 to March 2009, he served as a research analyst in the international active equities group at Barclays Global Investors. From January 2017 to December 2020, he was a financial management advisor at Datayes Joint Stock Co. Ltd. (通聯數據股份公司). Through these work experiences, Dr. Yu accumulated expertise in financial management, financial data analysis and review of financial statements and provided strategic advice on financial management matters.

Since August 2009, Dr. Yu has been successively served as assistant professor, associate professor and professor of finance of China Europe International Business School (中歐國際商學院). His academic and research focus is primarily on financial management, corporate finance and related areas. He conducted in-depth research on core theories of financial management and has incorporated advanced financial management theories into practical case studies in his courses. Dr. Yu's expertise in the academia has provided him with solid foundation in financial statement analysis, corporate finance and risk management. He has also served as an independent director and a member of the audit committee of Ningbo Joyson Electronics Co., Ltd. (寧波均勝電子股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600699)) since April 2023.

Dr. Yu received a bachelor's degree in international finance from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1997, a master of arts degree from Tulane University in the U.S. in May 2000, and a doctoral degree from the school of business of the University of Chicago in the U.S. in December 2005.

Dr. Yu has received several awards, including Outstanding Teaching Award at China Europe International Business School (2010) (2010中歐優秀教學獎), Outstanding Research Award at China Europe International Business School (中歐優秀研究獎) (2014, 2018) and New Beijing News China Young Economist Award (新京報中國青年經濟學人獎).

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 on August 19, 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/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/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 our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/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/she did not have any interest in any business which competes or is likely to compete directly or indirectly with our business and requires disclosure under Rule 8.10 of the Listing Rules.

SENIOR MANAGEMENT

The senior management is responsible for the day-to-day management of our business. None of the members of senior management are related to our Directors or other members of senior management. The following table sets out the information of members of our senior management.

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities
Mr. Qiu Wensheng (邱文生)	52	Chairman of our Board, executive Director, and general manager	August 29, 2005	November 19, 2020(1)	Responsible for overseeing the strategic planning, business direction and daily operations and management of our Group
Mr. Wu Zhenhai (吳振海)	53	Executive Director and deputy general manager	January 26, 2006	November 19, 2020(1)	Responsible for the overall management and daily operation of the technology center of our Group
Ms. Xi Pinghua (奚平華)	52	Executive Director and chief financial officer	December 27, 2010	November 19, 2020(1)	Responsible for the overall financial management of our Group
Mr. Deng Zhiguo (鄧治國)	47	Executive Director and deputy general manager	September 1, 2005	November 16, 2023(2)	Responsible for the overall management and daily operation of the data center business division of our Group
Mr. Zou Zongxin (鄒宗信)	53	Deputy general manager	January 21, 2006	November 16, 2023(2)	Responsible for the overall management and daily operation of the innovation business division of our Group
Mr. Zhang Wenguo (張文國)	46	Deputy general manager	September 20, 2005	November 19, 2020(1)	Responsible for the overall management and daily operation of the automotive electronics division of our Group
Mr. Wang Shichao (王仕超)	49	Deputy general manager	March 1, 2010	November 19, 2020(1)	Responsible for the overall management and daily operation of the operations center of our Group
Mr. Liao Haoran (廖浩然)	41	Deputy general manager	September 1, 2009	November 16, 2023(2)	Responsible for the overall management and daily operation of the computing business division of our Group
Mr. Wang Qijun (汪啟軍)	49	Deputy general manager	April 9, 2014	November 16, 2023(2)	Responsible for the overall management and daily operation of the mobile products division of our Group
Mr. Wang Zhigang (王志剛)	42	Deputy general manager	October 20, 2008	November 19, 2020(1)	Responsible for the overall management and daily operation of the marketing system of our Group

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities
Ms. Li Yutao (李玉桃)	42	Board secretary	July 6, 2012	March 10, 2025(3)	Responsible for Board secretarial affairs, information disclosure and investor relations management of our Group

Notes:

(1) The dates of the appointment refer to the first appointment of the relevant positions in our Company after its conversion into a joint stock company with limited liability in November 2020. For the details of the conversion, see "History and Corporate Structure — Conversion into Joint Stock Limited Company and Listing on the Shanghai Stock Exchange." Mr. Wang Zhigang was appointed as the board secretary of our Company from November 2020 to March 2025 and was appointed as the deputy general manager in March 2025.

(2) The appointment of Mr. Deng Zhiguo as a Director was approved by the Board on October 30, 2023 and approved by the Shareholders on November 16, 2023. The appointment of Mr. Zou Zongxin, Mr. Liao Haoran and Mr. Wang Qijun as deputy general managers was approved by the Board on November 16, 2023.

(3) The appointment of Ms. Li Yutao as the board secretary was approved by the Board on March 10, 2025.

Mr. Qiu Wensheng (邱文生), aged 52, is the chairman of the Board, executive Director and general manager of our Company. For his biography, see "— Directors — Executive Directors" in this section.

Mr. Wu Zhenhai (吳振海), aged 53, is the executive Director and deputy general manager of our Company. For his biography, see "— Directors — Executive Directors" in this section.

Ms. Xi Pinghua (奚平華), aged 52, is the executive Director and chief financial officer of our Company. For her biography, see "— Directors — Executive Directors" in this section.

Mr. Deng Zhiguo (鄧治國), aged 47, is the executive Director and deputy general manager of our Company. For his biography, see "— Directors — Executive Directors" in this section.

Mr. Zou Zongxin (鄒宗信), aged 53, has been our deputy general manager since November 2023. He is responsible for the overall management and daily operation of the innovation business division of our Group.

From January 2006 to November 2020, Mr. Zou was senior vice president of marketing system and general manager of business units at Huaqin Co., Ltd. (華勤技術有限公司). From November 2020 to November 2023, he served as a Director of our Company. Prior to joining our Group, he worked at 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 Main Board of the Stock Exchange (stock code: 0763)) from December 2002 to February 2006.

Mr. Zou obtained a bachelor's degree in communication engineering from University of Electronic Science and Technology of China (電子科技大學) in the PRC in July 1994, and an executive master of business administration (EMBA) from China Europe International Business School (中歐國際工商學院) in October 2015.

Mr. Zhang Wenguo (張文國), aged 46, has been our deputy general manager since November 2020. He is responsible for the overall management and daily operation of the automotive electronics division of our Group.

From September 2005 to November 2020, Mr. Zhang held positions at Huaqin Co., Ltd. (華勤技術有限公司), including serving as the software manager and director, vice president and senior vice president. Prior to joining our Group, he worked at Shanghai Hongyue Communication Technology Co., Ltd. (上海泓越通訊技術有限公司) from April 2004 to January 2005. From January 2005 to October 2005, he worked at Guolong Information Technology (Shanghai) Co., Ltd. (國龍信息技術(上海)有限公司).

Mr. Zhang obtained a bachelor's degree in mechanical engineering and automation (modern manufacturing technology) in July 2001 and a master's degree in mechatronic engineering in March 2004, both from the University of Shanghai for Science and Technology (上海理工大學) in the PRC.

Mr. Wang Shichao (王仕超), aged 49, has been our deputy general manager since November 2020. He is responsible for the overall management and daily operation of the operations center of our Group.

From March 2010 to November 2020, Mr. Wang served as the vice president and senior vice president at Huaqin Co., Ltd. (華勤技術有限公司). Mr. Wang serves as the executive director and manager of Guangdong Ruiqin Technology Co., Ltd. (廣東瑞勤科技有限公司), one of our major subsidiaries of the Company. Prior to joining our Group, he worked at 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 Main Board of the Stock Exchange (stock code: 0763)) from April 2003 to September 2007. He worked at Shanghai Qihui Communication Technology Co., Ltd. (上海齊匯通訊技術有限公司), currently known as Shanghai Youqi Network Technology Co., Ltd. (上海優齊網絡技術有限公司).

Mr. Wang obtained a bachelor's degree in computer software in July 1999 and a master's degree in computer application technology in April 2003, both from Nanjing University of Science and Technology (南京理工大學) in the PRC.

Mr. Liao Haoran (廖浩然), aged 41, has been our deputy general manager of our Company since November 2023. He is responsible for the overall management and daily operation of the computing business division of our Group.

From September 2009 to November 2020, Mr. Liao served at Huaqin Co., Ltd. (華勤技術有限公司) as our structural engineer, product manager, director and vice president. He has been serving as the vice president of our Company since November 2020. Prior to joining our Group, he worked at Shanghai Dewav Communication Technology Co., Ltd. (上海鼎為通訊科技有限公司) from October 2008 to August 2009.

Mr. Liao obtained a bachelor's degree in mechanical engineering and automation from Chengdu University of Technology (成都理工大學) in the PRC in June 2007.

Mr. Wang Qijun (汪啟軍), aged 49, has been our deputy general manager of our Company since November 2023. He is responsible for the overall management and daily operation of the mobile products division of our Group.

From April 2014 to November 2020, he served at Huaqin Co., Ltd. (華勤技術有限公司) as our product manager, director and vice president. He has been serving as the vice president of our Company since November 2020. Prior to joining our Group, he worked at 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 Main Board of the Stock Exchange (stock code: 0763)) from March 2001 to March 2007. From March 2007 to March 2014, he worked at Shanghai Qihui Communication Technology Co., Ltd. (上海齊匯通訊技術有限公司), currently known as Shanghai Youqi Network Technology Co., Ltd. (上海優齊網絡技術有限公司).

Mr. Wang obtained a bachelor's degree in materials engineering in July 1998 and a master's degree in computer software and theory in March 2001, both from Shanghai Jiao Tong University (上海交通大學) in the PRC.

Mr. Wang Zhigang (王志剛), aged 42, has been our deputy general manager since March 2025. From November 2020 to March 2025, he served as the board secretary of our Company. He is responsible for the overall management and daily operation of the marketing system of our Group.

From October 2008 to November 2020, Mr. Wang held various positions at Huaqin Co., Ltd. (華勤技術有限公司), including serving as our marketing manager and director, senior director and vice president of marketing. Prior to joining our Group, Mr. Wang worked at Shenzhen Telling Telecom Development Co., Ltd. (深圳市天音通信發展有限公司), (currently known as China Telling Telecom Co., Ltd. (天音通信有限公司)), which is a wholly owned subsidiary of Telling Telecommunication Holding Co., Ltd. (天音通信控股股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000829)), from August 2005 to July 2008.

Mr. Wang obtained a bachelor's degree in business administration from Northwest University (西北大學) in the PRC in July 2005 and a master's degree in business administration from Tsinghua University (清華大學) in the PRC in June 2024.

Ms. Li Yutao (李玉桃), aged 42, has been the board secretary of our Company since March 2025. She is responsible for Board secretarial affairs, information disclosure and investor relations management of our Group.

From July 2012 to November 2020, Ms. Li was the financial controller of Huaqin Co., Ltd. (華勤技術有限公司). She has been successively serving as the senior officer and the vice president of our Company since November 2020. Prior to joining our Group, she was an operations analyst at Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601318) and the Main Board of the Stock Exchange (stock code: 02318)) from July 2007 to September 2008. From September 2008 to July 2012, she served as finance manager of the mobile phone division at 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 Main Board of the Stock Exchange (stock code: 0763)).

Ms. Li obtained a master's degree in statistics from Jinan University (暨南大學) in the PRC in June 2007.

JOINT COMPANY SECRETARIES

Ms. Li Yutao (李玉桃), aged 42, has been appointed as one of our joint company secretaries in August 2025. For Ms. Li's biography, see "— Senior Management" of this section.

Ms. Ng Wai Kam (伍偉琴), was appointed as one of our joint company secretaries in August 2025.

Ms. Ng is a senior manager of the company secretarial services of Tricor Services Limited (member of Vistra Group). Ms. Ng has over 10 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Ng 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. Ms. Ng obtained a bachelor's degree in business administration from Hong Kong Shue Yan University in July 2011.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has established four Board committees, namely the Audit and Risk Management Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and Sustainable Development Committee.

Audit and Risk Management Committee

We have established the Audit and Risk Management 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 and Risk Management Committee are to review and supervise the financial reporting process and internal controls system of our Group, review connected transactions, and provide advice and comments to the Board. The Audit and Risk Management Committee comprises three members, namely Dr. Yu Fang, Mr. Huang Zhiguo and Mr. Hu Saixiong, with Dr. Yu Fang (being an independent non-executive Director with the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules) as chairperson of the Audit and Risk Management Committee.

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 Appraisal 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 Mr. Hu Saixiong, Mr. Huang Zhiguo and Ms. Chen Xiaorong, with Mr. Hu Saixiong as chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established the Nomination Committee pursuant to Rule 3.27A of the Listing Rules with written terms of reference set out in the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors, management of Board succession and evaluate the Board Diversity Policy. The Nomination Committee comprises three members, namely Mr. Huang Zhiguo, Mr. Hu Saixiong and Ms. Chen Xiaorong, with Mr. Huang Zhiguo as chairperson of the Nomination Committee.

Strategy and Sustainable Development Committee

We have established the Strategy and Sustainable Development Committee. The primary duties of the Strategy and Sustainable Development Committee are to review and make recommendations to the Board on our long-term strategies and major investments and transactions of the Group. The Strategy and Sustainable Development Committee comprises three members, namely Mr. Qiu Wensheng, Mr. Cui Guopeng and Dr. Yu Fang, with Mr. Qiu Wensheng as chairperson of the Strategy and Sustainable Development Committee.

Corporate Governance Code

We aim to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. In accomplish this, our Company expects to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the Listing save for the deviation as mentioned below. Any deviation from the code provisions shall be carefully considered, and the reasons for any deviation and explanation of how good corporate governance was achieved by means other than strict compliance with the code provisions shall be given in the interim report and the annual report in respect of relevant period.

According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and general manager are currently performed by Mr. Qiu Wensheng. In view of Mr. Qiu Wensheng substantial contribution to our Group since our establishment and his extensive experience, our Board believes that it is in the best interest of our Group to have Mr. Qiu Wensheng taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committees, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

Board Diversity

Our Company has adopted a board diversity policy (the "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 its 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 Group, 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. 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 adoption.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, engineering, and finance and accounting. They received degrees in various majors including engineering, computer software, applied electronic technology, applied physics, business administration and accounting. We have both male and female members serving on the Board currently, with one third of the executive Directors being female representation. Furthermore, the Board has a relatively wide range of ages, ranging from 47 years old to 58 years old. The Board is of the view that the Board satisfies the Board Diversity Policy.

The Nomination Committee is responsible for reviewing the diversity of the Board. Upon the Listing, the Nomination Committee will from time to time review the Board Diversity Policy, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives in order to ensure that the policy remains effective. Our Company will disclose the biographical details of each Director and plans to report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in our annual corporate governance report. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We plan to offer all-rounded training to female employees whom we consider to have the suitable experience, skills, and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance, and research and development. We are of the view that such a strategy will offer chances for the Board to identify more capable female employees to be nominated as a member of the Board in future with an aim to providing the Board with a pipeline of female candidates to achieve gender diversity in the Board in the long run.

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 normally means 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 and Exemptions — Waiver in respect of Management Presence in Hong Kong" for further details.

REMUNERATION

Our Directors and senior management receive remuneration, including salaries, allowances, and benefits in kind and our contribution to the pension plan on their behalf.

The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans, and discretionary bonuses, but excluding share-based payment expenses) for our Directors for the years ended December 31, 2023, 2024 and 2025 was approximately RMB15.56 million, RMB17.39 million and RMB18.23 million, respectively.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 included nil, nil and nil Directors, respectively. The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans, and discretionary bonuses, but excluding share-based payment expenses) for the five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 was approximately RMB14.32 million, RMB15.12 million and RMB16.79 million, respectively.

Save as disclosed above, no other payments have been paid or are payable, in respect of the Track Record Period by our Company to our Directors. For the year ended December 31, 2026, we expect to pay approximately RMB18.0 million in aggregate remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans, and discretionary bonuses, but excluding share-based payment expenses) to our Directors.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Company. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director or supervisor or any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will receive recommendation from the Remuneration and Appraisal Committee, which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management as well as the performance of our Group.

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 as to compliance with the requirements under the Listing Rules and applicable laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company, among others, in the following circumstances: (i) before the publication of any regulatory announcement, circular, or financial report; (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; (iii) 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 (iv) where the 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 we comply 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.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the following persons will 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 class of shares of our Company or any other member of our Group:

		A Shares held as of Latest Practicable Date		A Shares held following the completion of the Global Offering (1)(2)		
Name of Shareholder	Capacity/Nature of interest	Number	Approximate percentage of issued Shares	Number	Approximate percentage of issued A Shares(10)	Approximate percentage of total issued Shares
			(%)		(%)	(%)
Mr. Qiu Wensheng	Beneficial owner	48,746,040	4.80	48,746,040	4.80	4.54
	Interest in controlled corporations	378,000,000	37.21	378,000,000	37.21	35.18
	Interest of person acting in concert(6)	13,769,003	1.36	13,769,003	1.36	1.28
Shanghai Aoqin(3)	Beneficial owner	321,300,000	31.63	321,300,000	31.63	29.91
	Interest of person acting in concert(6)	119,215,043	11.74	119,215,043	11.74	11.10
Shanghai Haixian(4) . . .	Beneficial owner	56,700,000	5.58	56,700,000	5.58	5.28
	Interest of person acting in concert(6)	383,815,043	37.79	383,815,043	37.79	35.73
Mr. Qiu Wenhui	Beneficial owner	18,060	0.00*	18,060	0.00*	0.00*
	Interest in controlled corporations and interest of person acting in concert(6)	440,496,983	43.37	44,0496,983	43.37	41.01
Fujian Yuexiang(5)	Beneficial owner	13,750,943	1.35	13,750,943	1.35	1.28
	Interest of person acting in concert(6)	426,764,100	42.02	426,764,100	42.02	39.73
Ms. Lin Min(5)	Interest in controlled corporations	440,515,043	43.37	440,515,043	43.37	41.01
Hainan Qinyuan Venture Investment Partnership Enterprise (Limited Partnership) (海南勤沅創業投資合夥企業(有限合夥))	Beneficial owner	50,079,601	4.93	50,079,601	4.93	4.66
	Interest of person acting in concert(7)	22,729,000	2.24	22,729,000	2.24	2.12
Mr. Cui Guopeng (崔國鵬)	Beneficial owner	22,729,000	2.24	22,729,000	2.24	2.12
	Interest in controlled corporations(7)	50,079,601	4.93	50,079,601	4.93	4.66
Hainan Mozhi Investment Partnership Enterprise (Limited Partnership) (海南摩致投資合夥企業(有限合夥))	Beneficial owner	42,663,071	4.20	42,663,071	4.20	3.97
	Interest of person acting in concert(8)	18,928,000	1.86	18,928,000	1.86	1.76
Mr. Wu Zhenhai (吳振海)	Beneficial owner	18,928,000	1.86	18,928,000	1.86	1.76
	Interest in controlled corporations(8)	42,663,071	4.20	42,663,071	4.20	3.97

Name of Shareholder	Capacity/Nature of interest	A Shares held as of Latest Practicable Date: Number	A Shares held as of Latest Practicable Date: Approximate percentage of issued Shares	A Shares held following the completion of the Global Offering (1)(2): Number	A Shares held following the completion of the Global Offering (1)(2): Approximate percentage of issued A Shares(10)	A Shares held following the completion of the Global Offering (1)(2): Approximate percentage of total issued Shares
			(%)		(%)	(%)
Hainan Ruansheng Venture Investment Partnership Enterprise (Limited Partnership) (海南軟勝創業投資合夥企業(有限合夥)) . . .	Beneficial owner	46,789,148	4.61	46,789,148	4.61	4.36
	Interest of person acting in concert(9)	15,148,000	1.49	15,148,000	1.49	1.41
Ms. Chen Xiaorong (陳曉蓉)	Beneficial owner	15,148,000	1.49	15,148,000	1.49	1.41
	Interest in controlled corporations(9)	46,789,148	4.61	46,789,148	4.61	4.36

Notes:

(1) All interest stated are long positions.

(2) The table above assumes (i) the Global Offering becomes unconditional and the Offer Shares are issued pursuant to the Global Offering and (ii) the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

(3) As of the Latest Practicable Date, Shanghai Aoqin is held by Mr. Qiu Wensheng as to 51%. Therefore, under the SFO, Mr. Qiu Wensheng is deemed to be interested in A Shares held by Shanghai Aoqin.

(4) As of the Latest Practicable Date, Shanghai Haixian is held by Mr. Qiu Wensheng as to 51%. Therefore, under the SFO, Mr. Qiu Wensheng is deemed to be interested in A Shares held by Shanghai Haixian.

(5) As of the Latest Practicable Date, Fujian Yuexiang is held by as to (i) 10% by its general partner, Ms. Lin Min, the spouse of Mr. Qiu Wenhui; and (ii) 90% by by its limited partner, Mr. Qiu Wenhui. As advised by our PRC Legal Advisor, Ms. Lin Min is the general partner of Fujian Yuexiang, and Fujian Yuexiang is deemed to be controlled by Ms. Lin Min pursuant to applicable PRC laws and the partnership agreement of Fujian Yuexiang. Therefore, under the SFO, Mr. Qiu Wenhui and Ms. Lin Min are deemed to be interested in A Shares held by Fujian Yuexiang.

(6) Mr. Qiu Wenhui is the brother of Mr. Qiu Wensheng. Ms. Lin Min, the spouse of Mr. Qiu Wenhui, is the general partner of Fujian Yuexiang. As advised by our PRC Legal Advisor, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui and Fujian Yuexiang are parties acting in concert with Mr. Qiu Wensheng pursuant to applicable PRC laws. Each of Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui and Fujian Yuexiang is deemed to be interested in all the A Shares in which each of them is interested.

(7) Mr. Cui Guopeng is the managing partner of Hainan Qinyuan Venture Capital Partnership Enterprise (Limited Partnership). Therefore, under the SFO, Mr. Cui Guopeng is deemed to be interested in A Shares held by Hainan Qinyuan Venture Capital Partnership Enterprise (Limited Partnership). As advised by our PRC Legal Advisor, Mr. Cui Guopeng and Hainan Qinyuan Venture Capital Partnership Enterprise (Limited Partnership) are the parties acting in concert pursuant to PRC Law.

(8) Mr. Wu Zhenhai is the managing partner of Hainan Mozhi Investment Partnership Enterprise (Limited Partnership). Therefore, under the SFO, Mr. Wu Zhenhai is deemed to be interested in A Shares held by Hainan Mozhi Investment Partnership Enterprise (Limited Partnership). As advised by our PRC Legal Advisor, Mr. Wu Zhenhai and Hainan Mozhi Investment Partnership Enterprise (Limited Partnership) are the parties acting in concert pursuant to PRC Law.

(9) Ms. Chen Xiaorong is the managing partner of Hainan Ruansheng Venture Capital Partnership Enterprise (Limited Partnership). Therefore, under the SFO, Ms. Chen Xiaorong is deemed to be interested in A Shares held by Hainan Ruansheng Venture Capital Partnership Enterprise (Limited Partnership). As advised by our PRC Legal Advisor, Ms. Chen Xiaorong and Hainan Ruansheng Venture Capital Partnership Enterprise (Limited Partnership) are the parties acting in concert pursuant to PRC Law.

(10) The calculation of the percentage includes 215,947 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares (assuming no changes are made to the number of such repurchased shares held in our Company's stock repurchase account between the Latest Practicable Date and completion of the Global Offering).

*Denotes less than 0.005%

Save as disclosed above, our Directors are not aware of any other person who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), 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 class of shares of our Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

As of the Latest Practicable Date

As of the Latest Practicable Date, our share capital was RMB1,015,732,344, comprising of 1,015,732,344 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shanghai Stock Exchange. This includes 215,947 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares.

Immediately after the Completion of the Global Offering

Immediately following completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the share capital of our Company immediately following completion of the Global Offering will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
A Shares in issue *	1,015,732,344	94.55
H Shares to be issued under the Global Offering	58,548,200	5.45
Total	**1,074,280,544**	**100.00**

Immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are fully exercised), the share capital of our Company immediately following completion of the Global Offering will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
A Shares in issue *	1,015,732,344	92.92
H Shares to be issued under the Global Offering	77,429,900	7.08
Total	**1,093,162,244**	**100.00**

Note:

* Including 2,527,527 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares (assuming no changes are made to the number of such repurchased shares held in our Company's stock repurchase account between the Latest Practicable Date and completion of the Global Offering).

RANKING

Upon the completion of the Global Offering, our Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

A Shares and H Shares shall carry the same rights in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. 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 September 10, 2025 and is subject to the following major conditions:

(i) *Size of the offer:* The proposed number of H Shares to be offered shall not exceed approximately 8% 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 overseas institutional investors, corporations and individual investors, as well as qualified domestic institutional investors and other investors who fulfill the relevant laws and regulations.

(iv) *Price determination basis:* The Offer Price of the H Shares will be determined by the Board and/or its authorized person with the authorization of the Shareholders' general meetings, together with the Underwriters, after full consideration of the interests of existing Shareholders, investors of our Company and the conditions of domestic and international capital markets conditions with reference to the international practices, the general valuation level of the industry in which our Company operates, and through demands for orders and book-building process.

(v) *Validity period:* The issue and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date on which such matters were approved at the Shareholders' meeting. If the Company obtains approval from the relevant regulatory authorities for the Listing and listing within the 24 months, the authorization period shall automatically be extended to the later of the completion date of this issuance and the Listing or the exercise date of the Over-allotment Option (if applicable). There are no other approved offering plans for our Shares except the Global Offering.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND MEETING ARE REQUIRED

For details of circumstances under which our Shareholders' general meeting is required, See "Summary of the Articles of Association of the Company" in Appendix V to this prospectus.

SHARE INCENTIVE SCHEMES

Certain employees of our Group are eligible for interests of our Shares Employee Stock Ownership Scheme and in accordance with terms and provisions of the relevant share incentive schemes of our Company. For details, see "Appendix VI — Statutory and General Information — (D) Share Incentive Schemes" in this prospectus.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and notes included in Appendix I to this prospectus. The financial information as set out in the Accountants' Report incorporates the financial statements of the Company during the Track Record Period. You should read the whole Accountants' Report and not rely merely on the information in this section. For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years.

The following discussion and analysis contain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. In evaluating our business, you should carefully consider all of the information provided in this prospectus, including the sections headed "Forward-Looking Statements," "Risk Factors" and "Business" in this prospectus.

OVERVIEW

We are a smart product platform with over 20 years of expertise in smart products that integrate core technologies including AI, IoT, big data and communication technologies and incorporate intelligent functions. Drawing on this experience, we support the development and implementation of products and technologies across the mobile communication, internet, cloud computing and AI eras. We provide large global technology companies with a diverse range of smart products, covering mobile terminals, computing and data center business, AIoT, and innovative business. We have established strong leadership in our core product domains. According to CIC, we are a full-stack smart product ODM platform, ranking first worldwide across multiple smart product categories.

Our offerings include complete device design, mechanical component design, product R&D, manufacturing, operations and delivery, to support services. By leveraging our platform capabilities in advanced R&D and design, global intelligent manufacturing, efficient end-to-end operations and vertical integration of mechanical components, we have forged long-term strategic partnerships with leading global technology companies, enabling us to consistently maximize business value for our customers.

After years of development, we have delivered robust and high-quality operational results. In 2024, we recorded revenue of RMB109.9 billion, exceeding RMB100 billion for the first time, realizing a year-on-year increase of more than 28%. In 2025, we achieved a year-on-year revenue growth of 56.0%, sustaining strong revenue growth on a large existing base. For the years ended December 31, 2023, 2024 and 2025, our profitability continued to improve, with profit for the year amounting to RMB2,657.0 million, RMB2,916.4 million and RMB4,131.6 million, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, operating performance and financial condition depend on a wide range of general factors, including changes in global macroeconomic conditions, international trade and tariff policies, export controls and economic or trade sanctions, industry developments and the competitive landscape of the market. Any related adverse changes could negatively affect our results of operations.

In addition to such general factors, our operating performance is affected by the following specific factors:

Overall Growth of Market Demand and Our Market position

We are a smart product platform, providing global leading technology companies with smart products, primarily including mobile terminals, PCs and digital infrastructure products, AIoT products, automotive electronics, software, robotics and other industrial products. As such, our results of operations are affected by the consumer demand for smart products, particularly within the global consumer electronics market and the global data infrastructure market, as well as the penetration rates of ODM models in these markets.

Propelled by ongoing technological advances, such as AI, the global consumer electronics market has witnessed frequent iterations and upgrades in product performance and design, continuously pushing the functional boundaries of consumer electronics. ODM companies, leveraging strong independent research and development capabilities and well-established manufacturing systems, enable customers to achieve more efficient product iteration and enhanced economic benefits. Such advantages resulted in improving penetration rates of ODM models in the global consumer electronics market. According to CIC, the global ODM shipments of consumer electronics are expected to increase from 1,053.4 million units in 2025 to 1,488.8 million units in 2030, representing a CAGR of 7.2%.

In addition, with the rapid development of advanced technologies, such as AI, IoT, and cloud computing in recent years, the global digital transformation is accelerating. As the core equipment in data communication, the demand for data infrastructure products has increased rapidly. According to CIC, the market size of global digital infrastructure industry is expected to grow from RMB3,467.2 billion in 2025 to RMB10,245.2 billion in 2030, representing a CAGR of 24.2%.

According to CIC, we are a full-stack ODM platform for smart products, ranking first worldwide across multiple categories of smart products. In particular, we ranked first among all consumer electronics ODM companies globally in terms of ODM shipments in 2024 and ranked sixth among all digital infrastructure providers in China in terms of revenue related to digital infrastructure business in China in 2024. Maintaining our market position and competitive advantage is conducive to enhancing our market share and financial performance.

Our Ability to Maintain Diversified Product Portfolio

During the Track Record Period, we derived revenue from a diverse range of smart products, including mobile terminals, PCs and digital infrastructure products, AIoT products, automotive electronics, software, robotics and other industrial products. According to CIC, we are one of the world's most comprehensive smart product ODM companies in terms of product diversity. Our diversified product portfolio can help us mitigate reliance on one single product category and enhance our resilience against industry-wide volatility. However, the profit margins of our products vary significantly. Therefore, our revenue and profitability depend on our product mix. As we penetrate and expand into emerging business areas, future changes in our product portfolio and revenue mix may affect our growth and overall gross profit margin, which in turn affect our profitability and other aspects of our financial performance.

Our Ability to Maintain Diversity in our Customer Ecosystem

We are a smart product platform. Our customers included mainstream global brands across mobile terminal brands, PC brands, CSPs and automotive manufacturers. Our financial performance and future growth are affected by our ability to maintain long-term, stable strategic partnerships with our customers, expand our cooperation with existing customers across a broader range of product categories and attract new customers.

Customer demand for our products and services is affected by various factors, such as general market conditions, including our ability to deliver high-quality products, provide advanced research and development support, ensure efficient delivery and a reliable supply chain. We rely on our profound industry insights, comprehensive technical reserves, efficient operation and management and extensive customer service experience to attract new customers and promote long-term sustainable cooperation with them.

During the Track Record Period, our customer ecosystem was diverse, prosperous and continuously expanding. In 2025, revenue contribution from our single largest customer was 14.9%, reflecting our healthy and resilient customer base. In the future, we expect to continue to deepen our understanding of customer needs and strategies, shorten response time and provide better differentiated services and cross-sell additional products and service to our existing customers. In addition, we expect to attract new top-tier customers in each of our business segments through continuous expansion in our product offerings and sales channels.

Ability to Develop Emerging Business and Drive Global Expansion

Operating in competitive markets, our abilities to continuously develop new products through technological advancements and effectively capitalize on industry opportunities are crucial to our sustained business growth. Grounded in our expertise in smartphones, laptops and servers, we continue to enter into emerging sectors, including AIoT, automotive electronics, software and robotics to capture opportunities from new markets or application scenarios. In 2023, 2024 and 2025, our revenue from innovative business achieved a year-to-year growth of 32.9%, 91.9% and 121.0%, respectively, and our revenue from AIoT products achieved a year-to-year growth of 353.5%, 186.0% and 68.8%, respectively. In the future, we expect to actively and prudently expand our product offerings through organic expansions as well as strategic mergers and acquisitions.

In addition, our continuous global expansion has affected and is expected to continue to affect our ability to maintain our market position, which in turn, affects our financial performance. During the Track Record Period, our revenue from overseas markets amounted to RMB56,291.1 million, RMB56,402.5 million and RMB92,247.0 million in 2023, 2024 and 2025, respectively. In the future, we will leverage our manufacturing facilities in Vietnam and India to accelerate the development of our supply chain in other overseas markets, such as Mexico. We plan to further expand into new overseas markets while deepening our presence in existing ones, actively advancing our globalization strategy.

Cost Control and Efficiency Management

Our ability to achieve and maintain profitability partially depends on our ability to control our costs and expenses and enhance our operating efficiency. Our costs of sales were RMB76,001.6 million, RMB99,994.5 million and RMB158,206.4 million in 2023, 2024 and 2025. The costs of sales primarily consisted of raw material costs, which amounted to RMB73,262.8 million, RMB95,809.3 million and RMB150,700.5 million in 2023, 2024 and 2025, respectively, representing 96.4%, 95.8% and 95.3% of our total costs of sales during the same periods, respectively. The price and supply of our raw materials are affected by various factors, including changes in macroeconomic conditions, international trade policies and tariffs, upstream capacity supply, adjustments to suppliers' business strategies and fluctuations in currency exchange rates. We monitor the fluctuations in prices of key raw materials and continually refine our procurement strategies. We also seek to enhance supply chain stability and pricing predictability through vertical integration and the establishment of strategic and long-term partnerships with our suppliers.

Our financial performance is partially dependent on our manufacturing efficiency. We developed our intelligent manufacturing capabilities with automation, digitization, efficiency and sustainability at the core, supporting strong manufacturing efficiency while maintaining our commitment to environmental responsibility. We will continue to leverage our intelligent manufacturing capabilities to meet customers' stringent requirements regarding product quality while maintaining manufacturing and operational efficiency.

Research and Development Efforts and Achievements

Research and development are crucial to our sustained business growth as our competitiveness depends on our ability to develop and implement new technologies and manufacturing techniques to address evolving needs of our customers. Therefore, we have been investing and will continue to invest in research and development efforts. In 2023, 2024 and 2025, our research and development expenses amounted to RMB4,547.5 million, RMB5,155.8 million and RMB6,363.5 million, respectively, representing 5.3%, 4.7% and 3.7% of our total revenue during the same periods, respectively.

In addition, the continued service of our research and development personnel is critical to our success. Their expertise and ongoing contributions have been and will continue to be essential for driving innovation and maintaining our competitive edge. We expect to continue to invest in research and development and foster collaboration across departments in order to maintain strong research and development efficiency and enhance our overall competitiveness.

Exchange Rate Fluctuations

As of December 31, 2025, we have sold our products globally, reaching markets across Asia, North America, South America, Europe, and Africa and have established a globalized supply chain system. As such, our operations involve settlement in multiple currencies and are thus affected by fluctuations in foreign exchange rates.

With the continuous expansion of the scale of our global operation, we have established a systematic management system for foreign exchange hedging. Based on the actual business development needs and relying on specific business operations, we continue to monitor the fluctuation of foreign exchange rates and carry out hedging activities. We engage in foreign exchange hedging activities to mitigate and manage exchange rate risk, thereby reducing exposure to potential losses resulting from fluctuation of foreign exchange rates. See Note 42 to the Accountant's Report in Appendix I to the prospectus for details of foreign exchange risks.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"), including all applicable new and revised IFRSs that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period.

The historical financial information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. See Note 2 to the Accountants' Report in Appendix I to this prospectus for details.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Note 4 to the Accountants' Report in Appendix I to this prospectus.

Material Accounting Policies

Revenue Recognition

Revenue is recognised to depict the transfer of goods to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods. Specifically, we use a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring products or services to a customer ("**transaction price**").

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which our 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 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 our Group and the customer at contract inception. When the contract contains a financing component which provides our Group 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.

When volume rebates are provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract, rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used.

Revenue is recognized either at a point in time or over time, when our Group satisfies performance obligations by transferring the promised goods or services to its customers.

A contract asset represents our Group's right to consideration in exchange for goods or services that our Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents our Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents our Group's obligation to transfer goods or services to a customer for which Group has received consideration (or an amount of consideration is due) from the customer.

Further details of our revenue and other income recognition policies are as follows:

Revenue from Sale of Goods

Revenue from contracts with customers is recognized at the point in time when control of goods is transferred to the customers, generally when our Group has delivered goods to the location specified in the sales contract and the buyer has confirmed the acceptance of the goods.

The credit period granted to customers by our Group is determined based on their credit risk characteristics. In determining the transaction price, our Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Interest 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.

Impairment loss on financial assets

Our group recognizes a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment under IFRS 9 "Financial Instruments". The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are made based on our group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast for future conditions.

Our group has elected to measure loss allowances for trade receivables using IFRS 9 simplified approach and always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are assessed collectively using a provision matrix based on our group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial instruments, our group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in the credit risk since initial recognition or evidence that a financial asset is credit-impaired, then our group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Foreign Currency Translation

Foreign Currency Transactions

Foreign currency transactions are translated into functional currency for bookkeeping purposes using the exchange rate at the beginning of the month in which the transaction occurs. On the balance sheet date, the balances of foreign currency monetary items are translated at the spot exchange rate on the balance sheet date. The exchange differences arising therefrom are recognized in the current period profit or loss, except for the exchange differences from foreign currency-specific borrowings related to the acquisition or construction of assets that meet the capitalization criteria, which are accounted for in accordance with the principles of borrowing cost capitalization.

Translation of Foreign Currency Financial Statements

Assets and liabilities items are translated using the spot exchange rate on the balance sheet date. Equity items, except for "retained earnings", are translated using the spot exchange rate at the time of their occurrence. Items in the income statement are translated using the weighted average exchange rate on the transaction date.

On disposal of a foreign operation, the cumulative exchange differences recognized in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Property, Plant and Equipment

Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized as an expense in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

	Useful life	Residual value rate	Annual depreciation rate
Property and buildings	20-30 years	5.00%-10.00%	3.00%-4.75%
Self owned land	not depreciated	N/A	N/A
Machinery	3-10 years	5.00%-10.00%	9.00%-31.67%
Transportation vehicles	3-5 years	5.00%-10.00%	18.00%-31.67%
Furniture, fixtures and equipment	3-5 years	5.00%-10.00%	18.00%-31.67%
Decoration	3-5 years	N/A	20.00%-33.33%
Leasehold improvement	Shorter of their useful lives and the lease term	N/A	N/A

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which our Group must incur to make the sale. Costs of inventories are determined on a weighted average method.

Critical Accounting Judgments and Estimates

In the application of our Group's accounting policies, our Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Key Sources of Estimation Uncertainty

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated, which is the higher of value in use or fair value less costs of disposal. The value-in-use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amounts of goodwill as of December 31, 2023, 2024 and 2025 were approximately RMB0.6 million, RMB1,331.9 million and RMB1,376.3 million, respectively.

We have undertaken sensitivity analysis on the impairment test of Innovation Enterprises CGU, Nanchang Chunqin CGU, Xi an Egar CGU and Shenzhen Haocheng CGU.

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Innovation Enterprises CGU	–	1,159,625	1,131,049
Nanchang Chunqin CGU	–	124,674	124,674
Xi an Egar CGU	–	46,970	20,188
Dongguan Huayu CGU	599	599	599
Shenzhen Haocheng CGU	–	–	44,613
Plamex CGU	–	–	55,178
	599	1,331,868	1,376,301

The recoverable amount of the above CGUs have been determined based on value-in-use calculations using cash flow projections. Assumptions were used in the value-in-use calculations of the above CGUs as of December 31, 2023, 2024 and 2025.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

The cash flow projections were based on financial budgets covering a period approved by management as follows:

Innovation Enterprises CGU	5 years
Nanchang Chunqin CGU	5 years
Xi an Egar CGU	5 years
Shenzhen Haocheng CGU	5 years
Plamex CGU	5 years

The cash flow projections beyond the 5-year period are extrapolated using growth rates as follows:

	As of December 31,		
	2023	2024	2025
	%	%	%
Innovation Enterprises CGU *(Note a)*	N/A	2	2
Nanchang Chunqin CGU *(Note a)*	N/A	–	–
Xi an Egar CGU	N/A	–	–
Shenzhen Haocheng CGU	N/A	N/A	–
Plamex CGU	N/A	N/A	–

The discount rates applied to the cash flow projections are as follows:

	As of December 31,		
	2023	2024	2025
	%	%	%
Innovation Enterprises CGU *(Note a)*	N/A	11.90	12.48
Nanchang Chunqin CGU *(Note a)*	N/A	10.77	11.52
Xi an Egar CGU	N/A	11.59	11.96
Shenzhen Haocheng CGU	N/A	N/A	11.64
Plamex CGU	N/A	N/A	18.68

The discount rates used are pre-tax and reflect specific risk relating to the relevant units.

Impairment review on the goodwill of the Group has been conducted by management as of December 31, 2023, 2024 and 2025 according to IAS 36 "Impairment of assets". The headroom measured by the excess of the recoverable amount over the carrying amount of the above CGUs are as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Innovation Enterprises CGU *(Note a)*	N/A	54,106	77,901
Nanchang Chunqin CGU *(Note a)*	N/A	3,749	4,331
Xi an Egar CGU	N/A	1,978	N/A
Shenzhen Haocheng CGU	N/A	N/A	8,420
Plamex CGU	N/A	N/A	151,872

The following table sets forth the hypothetical percentage points of growth rate beyond five-year period and pre-tax discount rate that would, in isolation, have removed the remaining headroom respectively as of December 31, 2024 and 2025.

	As of December 31, 2024				As of December 31, 2025				
	Innovation Enterprises CGU	Nanchang Chunqin CGU	Xi an Egar CGU	Shenzhen Haocheng CGU	Innovation Enterprises CGU	Nanchang Chunqin CGU	Xi an Egar CGU	Shenzhen Haocheng CGU	Plamex CGU
	%	%	%	%	%	%	%	%	%
growth rate beyond five-year period	1.76	N/A	N/A	N/A	1.81	N/A	N/A	N/A	N/A
Pre-tax discount rate	12.07	10.83	11.82	N/A	12.73	11.58	N/A	11.80	23.91

Our Directors are of the view that, except for the Xi an Egar CGU, a reasonably possible change in a key parameter will not cause the carrying amount of the relevant CGUs to exceed the respective recoverable amounts as of December 31, 2024 and 2025.

Note a: As of December 31, 2025, the management adjusted its strategic plan for Xi an Egar CGU, therefore, the forecasted growth rate decreased and impairment of RMB26,782,000 was provided for Xi an Egar CGU. Details of the impairment loss calculation are set out in Note 23 to the Accountants' Report in Appendix I to this prospectus.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table summarizes our results of operations for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	85,338,484	109,877,987	171,436,927
Cost of sales	(76,001,568)	(99,994,465)	(158,206,431)
Gross profit	**9,336,916**	**9,883,522**	**13,230,496**
Other income	758,390	995,154	945,434
Other gains and losses, net	364,714	319,939	498,366
Provision for impairment losses	(342,849)	(117,719)	(209,375)
Selling expenses	(199,203)	(217,277)	(338,784)
General and administrative expenses	(2,198,241)	(2,323,331)	(3,031,079)
Research and development expenses	(4,547,527)	(5,155,807)	(6,363,453)
Finance costs	(270,331)	(244,092)	(308,359)
Share of results of associates	(66,652)	(103,325)	52,687
Profit before tax	**2,835,217**	**3,037,064**	**4,475,933**
Income tax expenses	(178,207)	(120,713)	(344,358)
Profit for the year	**2,657,010**	**2,916,351**	**4,131,575**

Revenue

During the Track Record Period, we generated our revenue from (i) mobile terminals, mainly including smartphones, tablets and smart wearables, (ii) computing and data center business, mainly including PCs and digital infrastructure products, (iii) AIoT products, such as smart home devices, XR products and gaming hardware, (iv) innovative business, mainly including automotive electronics and industrial products, robotics products and software, and (v) others, mainly including sales of materials and scrap.

Revenue by Business Segment

The following table sets forth a breakdown of our revenue by business segment for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Mobile terminals	48,039,458	56.3	51,035,492	46.4	80,209,938	46.8
Computing and data center business	33,691,401	39.5	49,677,701	45.2	75,475,018	44.0
AIoT	1,633,586	1.9	4,672,515	4.3	7,884,923	4.6
Innovative business	821,269	1.0	1,576,356	1.4	3,483,787	2.0
Others	1,152,770	1.3	2,915,923	2.7	4,383,261	2.6
Total	**85,338,484**	**100.0**	**109,877,987**	**100.0**	**171,436,927**	**100.0**

Note:

(1) Others primarily includes sales of materials and scrap.

In 2023, 2024 and 2025, our revenue was RMB85,338.5 million, RMB109,878.0 million and RMB171,436.9 million, respectively. The fluctuations in revenue generated from mobile terminals were primarily due to price fluctuations in raw materials, which affected the sales price offered to our customers, our efforts in deepening cooperation with our existing customers and the expansion of our customer base. Specifically, our revenue generated from mobile terminals experienced growth from 2023 to 2024, primarily due to an increase in our ODM shipments of smartphones and smart wearables mainly as a result of (i) the recovery and growth of global consumer electronics industry, and (ii) our efforts to deepen the cooperation with customers by broadening the product range, which led to increased market share and enhanced customer loyalty. Our revenue generated from mobile terminals experienced significant growth from 2024 to 2025, primarily as a result of (i) an increase in sales volume of our smartphones and tablets as we deepened cooperation with a number of industry leading customers by broadening the product range, and (ii) the expansion of the customer base of our smart wearables through acquisition of a subsidiary.

During the Track Record Period, we experienced continued growth in our revenue generated from computing and data center business, AIoT products and innovative business. Growth in our revenue generated from computing and data center business was primarily driven by the increasing demand for computing power amidst the continuous expansion of the AI industry. Increases in revenue generated from our AIoT products were primarily due to continuous expansion of our product portfolio during the Track Record Period. In addition, the increases in revenue from innovative business were primarily driven by the continuous expansion of our customer base and product portfolio.

Sales Volume and Average Selling Price

The following table sets forth the sales volume and average selling prices of products sold by business line for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	(Units in thousand)	*(RMB)*	*(Units in thousand)*	*(RMB)*	*(Units in thousand)*	*(RMB)*
Mobile terminals	189,077	254	206,217	247	282,461	284
Computing and data center business	16,095	2,093	22,700	2,188	18,864	4,001
AIoT	5,837	280	12,367	378	18,025	437
Innovative business	1,492	550	3,732	422	5,469	637
Total	**212,501**	**402**	**245,016**	**448**	**324,818**	**528**

Our sales volume increased by 15.3% from 212.5 million in 2023 to 245.0 million in 2024, primarily driven by our continuous efforts in product diversification and customer expansion. Our sales volume increased by 32.6% from 245.0 million in 2024 to 324.8 million in 2025, primarily as we continued to expand and upgrade our product portfolio.

During the Track Record Period, our average selling price was primarily influenced by our product mix. Our wide range of products have different selling price. Even within the same category of products, we offer an extensive range of different products with varying prices. Specifically, the unit selling prices of our AI servers, mostly in the range of several hundred thousand RMB, are higher than those of our other computing and data center offerings, mostly below RMB10,000. As a result, fluctuations in the sales volume of server products have a significant impact on the average selling price of our computing and data center business. Our average selling price remained relatively stable at RMB448 in 2024, as compared to RMB402 in 2023. Our average selling price increased from RMB448 in 2024 to RMB528 in 2025, primarily due to an increase in sales volume of our AI servers, which had a higher unit selling price.

Revenue by Geographic Region

During the Track Record Period, we sold our products to various customers worldwide. The following table sets forth a breakdown of our revenue by geographic region, based on the places of incorporation of our customers' contracting entities, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Chinese Mainland	29,047,388	34.0	53,475,524	48.7	79,189,892	46.2
Overseas	56,291,096	66.0	56,402,463	51.3	92,247,035	53.8
– Hong Kong SAR	13,259,737	15.5	14,975,139	13.6	14,037,908	8.2
– Asia (other than Chinese Mainland and Hong Kong SAR)[(1)]	37,714,933	44.2	31,410,899	28.6	51,945,430	30.3
– United States	4,053,828	4.8	8,403,353	7.6	17,258,081	10.1
– Other regions[(2)]	1,262,598	1.5	1,613,072	1.5	9,005,616	5.2
Total	**85,338,484**	**100.0**	**109,877,987**	**100.0**	**171,436,927**	**100.0**

Notes:

(1) Asia (other than Chinese Mainland and Hong Kong SAR) primarily includes South Korea, India, Taiwan, Japan and Singapore.

(2) Other regions primarily include Brazil, Germany, Finland, Ireland and Egypt.

During the Track Record Period, our revenue from Chinese Mainland increased continuously both in absolute amounts and as a percentage of our total revenue, primarily as riding on development of the AI industry, we expanded our cooperation with a number of customers for our data products in Chinese Mainland during the Track Record Period. During the Track Record Period, our revenue from Asia (other than Chinese Mainland and Hong Kong SAR) primarily concentrated on customers in the consumer electronics industry. Our revenue from Asia (other than Chinese Mainland and Hong Kong SAR) decreased in 2024, primarily due to increased supplier competition for customers in Asia. Our revenue from Asia (other than Chinese Mainland and Hong Kong SAR) increased in 2025, primarily due to an increase in sales volume of smartphone products in Asia. Our revenue from the United States continued to increase since 2024. These increases were primarily driven by (i) expansion of customer base in emerging sectors, such as XR products, and (ii) the acquisition of a subsidiary whose customers were primarily located in the United States.

Cost of Sales

Our cost of sales during the Track Record Period primarily consisted of raw materials and others, which primarily include labor costs and manufacturing costs. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Raw materials	73,262,819	96.4	95,809,307	95.8	150,700,491	95.3
Others	2,738,749	3.6	4,185,158	4.2	7,505,940	4.7
Total	**76,001,568**	**100.0**	**99,994,465**	**100.0**	**158,206,431**	**100.0**

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margins by business segments for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Mobile terminals	6,909,392	14.4	4,960,330	9.7	7,205,111	9.0
Computing and data center business	1,846,599	5.5	3,738,812	7.5	4,528,898	6.0
AIoT	341,483	20.9	790,383	16.9	857,742	10.9
Innovative business	148,511	18.1	302,014	19.2	480,571	13.8
Others	90,931	7.9	91,983	3.2	158,174	3.6
Total	**9,336,916**	**10.9**	**9,883,522**	**9.0**	**13,230,496**	**7.7**

In 2023, 2024 and 2025, our overall gross profit margin was 10.9%, 9.0% and 7.7%, respectively. Our gross profit margin is highly affected by the change in our product mix. Our wide range of products have different margin profile. Even within the same category of products, we offer an extensive range of different products with varying margin profiles. In particular, the decrease in the gross profit margin for our mobile terminals in 2024 was primarily driven by price fluctuations in upstream markets in 2023, which resulted in relatively low average procurement costs of our raw materials in 2023. The decrease in the gross profit margin for our mobile terminals in 2025 was primarily due to an increased revenue contribution from smartphones, which had a lower gross profit margin. During the Track Record Period, the gross profit margin for our AIoT products continued to decrease, primarily due to the expansion of our product portfolio and increases in revenue contribution from speakers and XR products, which had relatively lower gross profit margins. In addition, the gross profit margin for our innovative business decreased in 2025, primarily due to an increase in revenue contribution from automotive electronics, which had a relatively lower gross profit margin.

The following table sets forth our gross profit and gross profit margins by geographic region for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
		(%)		*(%)*		*(%)*
	(RMB in thousands, except for percentages)					
Chinese Mainland	3,465,875	11.9	4,473,890	8.4	6,012,398	7.6
Overseas	5,871,041	10.4	5,409,632	9.6	7,218,098	7.8
– Hong Kong SAR	597,420	4.5	1,341,384	9.0	1,013,332	7.2
– Asia (other than Chinese Mainland and Hong Kong SAR)[(1)]	4,483,626	11.9	2,780,930	8.9	3,565,187	6.9
– United States	559,250	13.8	1,091,982	13.0	1,966,829	11.4
– Other regions[(2)]	230,745	18.3	195,336	12.1	672,750	7.5
Total	**9,336,916**	**10.9**	**9,883,522**	**9.0**	**13,230,496**	**7.7**

Notes:

(1) Asia (other than Chinese Mainland and Hong Kong SAR) primarily includes South Korea, India, Taiwan, Japan and Singapore.

(2) Other regions primarily include Brazil, Germany, Finland, Ireland and Egypt.

During the Track Record Period, our gross profit margin in different geographic regions was primarily affected by differences and changes in our product mix mainly as a result of expansion of our product portfolio and changes in our customers' shipment schedule of different types of products. In particular, during the Track Record Period, the gross profit margin in Chinese Mainland was affected by the increasing revenue contribution from our digital infrastructure products and smartphones in Chinese Mainland, which had lower gross profit margins due to higher procurement costs for key raw materials. Our gross profit margin in Hong Kong SAR increased in 2024 primarily due to the enhanced product competitiveness accompanied with optimized cost management and operational efficiency of our PC products, which accounted for the majority of our sales in Hong Kong SAR.

Other Income

Our other income consists of (i) government grants, (ii) interest income from bank deposits, time deposits and certificates of deposit, (iii) super-input value-added tax ("VAT") credit and (iv) others, primarily including cash discounts for advance payments made by our customers. The following table sets forth a breakdown of our other income for the periods indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Government grants	350,765	496,699	508,328
Interest income from bank deposits, time deposits and certificates of deposit	368,675	478,339	400,550
Super-input VAT credit	30,131	9,199	23,809
Others	8,819	10,917	12,747
Total	**758,390**	**995,154**	**945,434**

Other Gains and Losses, Net

Our other net gains and losses primarily consists of (i) net gains or losses on fair value changes of financial assets and financial liabilities measured at FVTPL, representing the fair value changes in our equity investments, foreign exchange options and forward contracts and wealth management products, (ii) net gains or losses on disposal of financial assets and financial liabilities measured at FVTPL, representing disposals of our equity investments, foreign exchange options and forward contracts and wealth management products, (iii) dividend income from equity investment measured at FVTPL, (iv) gains or losses on disposal of equity interest in associates, (v) gain on deemed disposal of shares in associates, (vi) exchange gains or losses and (vii) others. The following table sets forth a breakdown of our other gains and losses for the periods indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Net gains/(losses) on fair value changes of financial assets and financial liabilities measured at FVTPL	275,212	(188,394)	196,958
Net (losses)/gains on disposal of financial assets and financial liabilities measured at FVTPL	62,156	237,196	187,739

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Dividend income from equity investment measured at FVTPL	10,089	64,414	40,582
Net gains/(losses) on disposal of equity interest in associates	(560)	64,096	18
Gain on deemed disposal of shares in associates	1,574	2,720	27,046
Exchange gains/(losses)	(39,079)	73,394	(14,869)
Others	55,322	66,513	60,892
Total	**364,714**	**319,939**	**498,366**

We have established a strict investment policy and risk control framework. We have formulated clear standards and processes for investment initiation, due diligence, risk control, and decision-making. Our investment strategy aims to optimize the efficiency of idle funds, generate investment returns for our Shareholders, and minimize investment and financial risks. For wealth management products, we invest in wealth management products with high liquidity and security. For our equity investments, we select investment projects that align with recent market demand and our overall development strategy, prioritizing investments in companies with innovative technologies.

We have established rigorous review and decision-making procedures. The personnel in our investment department, who possess experience in financial investments as well as a thorough understanding of our industry, are responsible for proposing, analyzing, and evaluating potential investment opportunities. Any proposals for investments in wealth management products or modifications to our existing investment portfolio must receive approval from our senior management before implementation. Any material investment projects are reviewed and approved by our Board. After the Listing, our investments in financial assets measured at FVTPL and FVTOCI will be subject to compliance with Chapter 14 of the Listing Rules.

Provision for Impairment Losses

Our provision for impairment losses represents (i) impairment losses or their reversal recognized on trade and bills receivables and other receivables under ECL model, net of reversal and (ii) other impairment losses on investment in associates, inventories and goodwill. The following table sets forth a breakdown of our provision for impairment losses for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Impairment losses/(reversal of impairment losses) under ECL model, net of reversal			
Trade and bills receivables	44,396	(4,226)	10,561
Other receivables	(1,933)	(5,249)	(70)
Other impairment losses			
Impairment of investment in associates	112,263	36,653	–
Impairment of inventories	188,123	90,541	172,102
Impairment of goodwill	–	–	26,782
Total	**342,849**	**117,719**	**209,375**

For details of impairment loss calculation, see "— Critical Accounting Judgments and Estimates — Key Sources of Estimation Uncertainty — Impairment of Goodwill."

Selling Expenses

Our selling expenses consist of (i) salaries, compensations and benefits (excluding share-based payments) for our sales and marketing employees, (ii) marketing and promotion expenses, (iii) business expenses, primarily consisting of travel and conference expenses, (iv) depreciation and amortization expenses and (v) others, which primarily consist of technology service fees. The following table sets forth a breakdown of our selling expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Salaries, compensations and benefits	109,108	54.8	126,793	58.4	169,296	50.0
Marketing and promotion expenses	37,444	18.8	25,724	11.8	44,147	13.0
Business expenses	41,995	21.1	54,475	25.1	66,329	19.6
Depreciation and amortization expenses	652	0.3	3,420	1.6	35,472	10.5
Others	10,004	5.0	6,865	3.1	23,540	6.9
Total	**199,203**	**100.0**	**217,277**	**100.0**	**338,784**	**100.0**

General and Administrative Expenses

Our general and administrative expenses consist of (i) salaries, compensation and benefits (excluding share-based payments) for our management and administrative personnel, (ii) depreciation and amortization expenses, (iii) administrative and business expenses, which primarily consist of rental expenses, travel and general office expenses, (iv) share-based payments, (v) listing expenses in relation to the Global Offering and (vi) others, which primarily consist of consultancy fees for human resource services and other miscellaneous expenses. The following table sets forth a breakdown of our general and administrative expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Salaries, compensation and benefits	1,409,468	64.1	1,452,772	62.5	1,892,730	62.4
Depreciation and amortization expenses	314,367	14.3	342,682	14.7	386,895	12.8
Administrative and business expenses	237,559	10.8	285,272	12.3	421,038	13.9
Share-based payments	110,743	5.0	90,279	3.9	98,416	3.2
Listing expenses	–	–	–	–	474	0.0
Others	126,104	5.8	152,326	6.6	231,526	7.7
Total	**2,198,241**	**100.0**	**2,323,331**	**100.0**	**3,031,079**	**100.0**

Research and Development Expenses

Our research and development expenses consist of (i) salaries, compensation and benefits (excluding share-based payments) for research and development employees, (ii) materials and consumables used for our research and development activities, (iii) technical support service expenses to support our research, design and development activities and operations and software developments, (iv) depreciation and amortization expenses and (v) others, primarily consisting of travel expenses. The following table sets forth a breakdown of our research and development expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Salaries, compensation and benefits	3,280,225	72.1	3,383,895	65.6	3,986,767	62.7
Materials and consumables used	405,256	8.9	725,057	14.1	1,097,211	17.2
Technical support service expenses	405,562	8.9	526,361	10.2	695,397	10.9
Depreciation and amortization expenses	241,919	5.3	242,443	4.7	213,392	3.4
Others	214,565	4.8	278,051	5.4	370,686	5.8
Total	**4,547,527**	**100.0**	**5,155,807**	**100.0**	**6,363,453**	**100.0**

Finance Costs

Our finance costs consist of interest expenses on bank borrowings and lease liabilities. We recorded finance costs of RMB270.3 million, RMB244.1 million and RMB308.4 million in 2023, 2024 and 2025, respectively.

Share of Results of Associates

Our share of results of associates primarily represent our share of profits and losses from long-term investments in associates. We recorded share of losses from associates of RMB66.7 million, RMB103.3 million and share of income from associates of RMB52.7 million in 2023, 2024 and 2025, respectively.

Income Tax Expenses

Our income tax expenses primarily consist of current income tax and deferred income tax. In 2023, 2024 and 2025, our income tax expenses were RMB178.2 million, RMB120.7 million and RMB344.4 million, respectively.

We are subject to different tax rates in different jurisdictions. Pursuant to the existing legislation, interpretations and practices, the standard EIT rate of our entities in China is 25%. Our subsidiaries in China qualified as High and New Technology Enterprises enjoyed a preferential income tax rate of 15% during the Track Record Period. Taxation for our offshore subsidiaries was calculated at the tax rates prevailing in the relevant jurisdictions. Our Company qualified as High and New Technology Enterprise and enjoyed a preferential income tax rate of 15% in 2023 and 2025. Our Company was awarded as the "key software enterprise" by the relevant government authorities and enjoyed a preferential rate of 10% for the year ended December 31, 2024. See note 13 to the Accountant's Report in Appendix I to this prospectus for details.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 56.0% from RMB109,878.0 million in 2024 to RMB171,436.9 million in 2025, primarily due to increases in revenue from all of our business segments.

Revenue by Business Segment

Our revenue generated from mobile terminals increased by 57.2% from RMB51,035.5 million in 2024 to RMB80,209.9 million in 2025, primarily due to (i) an increase in sales volume of our smartphones and tablets as we deepened cooperation with a number of industry leading customers by broadening the product range, which led to increased market share and enhanced customer loyalty and (ii) the expansion of the customer base of our smart wearables through acquisition of a subsidiary.

Our revenue generated from computing and data center business increased by 51.9% from RMB49,677.7 million in 2024 to RMB75,475.0 million in 2025, primarily due to (i) the increasing demands for computing power from our customers amidst the continuous expansion of the AI industry by providing quality and full-stack digital infrastructure products and (ii) increase in sales volume of our PC products driven by the continuous expansion of our customer base.

Our revenue generated from AIoT products increased by 68.8% from RMB4,672.5 million in 2024 to RMB7,884.9 million in 2025, primarily as (i) we deepened cooperation with industry leading customers by broadening product range, which led to increased market share and enhanced customer loyalty, and (ii) we expanded collaboration with new customers in emerging sectors, such as XR products.

Our revenue generated from innovative business increased by 121.0% from RMB1,576.4 million in 2024 to RMB3,483.8 million in 2025, primarily due to the rapid growth in sales volume of automotive electronics products and industrial products, mainly as (i) we secured nominations and commenced mass production with several automotive manufacturers, and (ii) we entered into collaborations with multiple new customers across different industrial products.

Our revenue generated from other business increased by 50.3% from RMB2,915.9 million in 2024 to RMB4,383.3 million in 2025, primarily due to an increase in material sales driven by the expansion of our business.

Revenue by Geographical Region

Our revenue derived from Chinese Mainland increased by 48.1% from RMB53,475.5 million in 2024 to RMB79,189.9 million in 2025, primarily due to the increases in sales of our digital infrastructure products in Chinese Mainland as we successfully capitalized on the continuous expansion of the AI industry through our continuous efforts in providing quality and full-stack digital infrastructure products.

Our revenue derived from overseas markets increased by 63.6% from RMB56,402.5 million in 2024 to RMB92,247.0 million in 2025, primarily due to (i) an increase in our sales volume of mobile terminals, PC products and AIoT products in overseas markets through our continuous efforts in global expansion (ii) the expansion of our global customer base through acquisition of a subsidiary.

Cost of Sales

Our cost of sales increased by 58.2% from RMB99,994.5 million in 2024 to RMB158,206.4 million in 2025, primarily in line with our business expansion.

Gross Profit and Gross Profit Margin

As a result of the forgoing, our gross profit increased by 33.9% from RMB9,883.5 million in the 2024 to RMB13,230.5 million in 2025. Our gross profit margin decreased from 9.0% in 2024 to 7.7% in 2025, primarily due to changes in product mix.

Our gross profit for mobile terminals increased by 45.3% from RMB4,960.3 million in 2024 to RMB7,205.1 million in 2025. The gross profit margin of our mobile terminals decreased from 9.7% in 2024 to 9.0% in 2025, primarily due to an increased revenue contribution from smartphones, which had a lower gross profit margin, surpassing the growth in revenue generated from other mobile terminal products, such as smart wearables and tablets.

Our gross profit for computing and data center business increased by 21.1% from RMB3,738.8 million in 2024 to RMB4,528.9 million in 2025. The gross profit margin of our computing and data center business decreased from 7.5% in 2024 to 6.0% in 2025 primarily due to an increase in revenue contribution from digital infrastructure products driven by the continuous growth of AI industry. Our digital infrastructure products had relatively lower gross profit margins compared to our PC products due to high procurement costs for key raw materials, such as GPUs.

Our gross profit for AIoT products increased by 8.5% from RMB790.4 million in 2024 to RMB857.7 million in 2025. The gross profit margin of our AIoT products decreased from 16.9% in 2024 to 10.9% in 2025 primarily due to (i) an increase in revenue contribution from our XR products, which had a relatively lower gross profit margin, and (ii) higher upfront costs incurred during the initial stage of expanding into new product categories.

Our gross profit for innovative business increased by 59.1% from RMB302.0 million in 2024 to RMB480.6 million in 2025. The gross profit margin of our innovative business decreased from 19.2% in 2024 to 13.8% in 2025, primarily due to changes in product mix with an increase in revenue contribution from automotive electronics, which had a relatively lower gross profit margin as it is still in its development stage.

Our gross profit for other business increased by 72.0% from RMB92.0 million in 2024 to RMB158.2 million in 2025. The gross profit margin of other business increased from 3.2% in 2024 to 3.6% in 2025.

Other Income

Our other income decreased from RMB995.2 million in 2024 to RMB945.4 million in 2025, primarily due to the decrease in interest income from bank deposits, time deposits and certificates of deposit as a result of lower interest rates.

Other Gains and Losses, Net

Our other gains and losses, net increased by 55.8% from RMB319.9 million in 2024 to RMB498.4 million in 2025, primarily due to a net gain on fair value changes of financial assets and financial liabilities measured at FVTPL of RMB197.0 million in 2025 as compared to a net loss on fair value changes of financial assets and financial liabilities measured at FVTPL of RMB188.4 million in 2024, mainly as a result of fair value change of our equity investments, partially offset by exchange losses arising from exchange rate fluctuations.

Provision for Impairment Losses

Our provision for impairment losses increased by 77.9% from RMB117.7 million in 2024 to RMB209.4 million in 2025, primarily due to (i) an increase of RMB81.6 million in impairment of inventories mainly as a result of an increase in our inventory balances primarily in line with the expansion of our business and (ii) an impairment of goodwill of RMB26.8 million in relation to the under-performance of one of our acquired subsidiaries.

Selling Expenses

Our selling expenses increased by 55.9% from RMB217.3 million in 2024 to RMB338.8 million in 2025, primarily due to (i) an increase in salaries, compensations and benefits mainly driven by the increases in the number of sales and marketing personnel, primarily in line with the expansion of our business, (ii) an increase in depreciation and amortization expenses, mainly related to customer relationship obtained through acquisition of one of subsidiaries. Our selling expenses as a percentage of our total revenue remained relatively stable at 0.2% in 2024 and 2025.

General and Administrative Expenses

Our general and administrative expenses increased by 30.5% from RMB2,323.3 million in 2024 to RMB3,031.1 million in 2025, primarily due to (i) an increase in salaries, compensation and benefits mainly driven by the increases in the number of management and administrative personnel, and (ii) an increase in administrative and business expenses, both of which were primarily in line with the expansion of our business. Our general and administrative expenses as a percentage of our total revenue decreased from 2.1% in 2024 to 1.8% in 2025 mainly as a result of our increased economies of scale.

Research and Development Expenses

Our research and development expenses increased by 23.4% from RMB5,155.8 million in 2024 to RMB6,363.5 million in 2025, primarily due to (i) an increase in salaries, compensation and benefits, (ii) an increase in materials and consumables used for our research and development activities and (iii) an increase in technical support service fees, all of which were mainly as a result of our business expansion and continued efforts in product innovation. Our research and development expenses as a percentage of our total revenue decreased from 4.7% in 2024 to 3.7% in 2025 primarily due to our increased economies of scale.

Finance Costs

Our finance costs increased by 26.3% from RMB244.1 million in 2024 to RMB308.4 million in 2025, primarily due to an increase of RMB52.7 million in interest on borrowings, mainly as a result of the increase in borrowings to support our business expansion.

Share of Results of Associates

Our share of results of associates recorded a gain of RMB52.7 million in 2025 as compared to a loss of RMB103.3 million in 2024, primarily as a result of the improving financial performance of our associates.

Income Tax Expenses

Our income tax expenses increased by 185.3% from RMB120.7 million in 2024 to RMB344.4 million in 2025, primarily driven by the increase in our profit.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 41.7% from RMB2,916.4 million in 2024 to RMB4,131.6 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 28.8% from RMB85,338.5 million in 2023 to RMB109,878.0 million in 2024, primarily driven by increases in revenue from all of our business segments.

Revenue by Business Segment

Our revenue generated from mobile terminals increased by 6.2% from RMB48,039.5 million in 2023 to RMB51,035.5 million in 2024, primarily due to an increase in our ODM shipments of smartphones and smart wearables mainly as a result of (i) the recovery and growth of global consumer electronics industry, and (ii) our efforts to deepen the cooperation with industry leading customers by broadening the product range, which led to increased market share and enhanced customer loyalty.

Our revenue generated from computing and data center business increased by 47.4% from RMB33,691.4 million in 2023 to RMB49,677.7 million in 2024, primarily due to (i) an increase in ODM shipments of our PC products driven by the continuous expansion of our customer base and (ii) the establishment of close cooperation with prominent domestic cloud service providers in 2024, mainly as we successfully capitalized on increasing demands for computing power amidst the continuous expansion of the AI industry through providing quality and full-stack digital infrastructure products.

Our revenue generated from AIoT products increased by 186.0% from RMB1,633.6 million in 2023 to RMB4,672.5 million in 2024, primarily due to the rapid growth in ODM shipments of smart home devices, gaming hardware and XR products mainly as a result of our continued exploration of new application scenarios in these product categories.

Our revenue generated from innovative business increased by 91.9% from RMB821.3 million in 2023 to RMB1,576.4 million in 2024, primarily due to the rapid growth in sales volume of automotive electronics products and industrial products, mainly as (i) we secured nominations and commenced mass production with several automotive manufacturers, and (ii) we entered into collaborations with multiple new customers across various industrial products.

Our revenue generated from other business increased by 152.9% from RMB1,152.8 million in 2023 to RMB2,915.9 million in 2024, primarily due to an increase in material sales driven by the expansion of our business.

Revenue by Geographical Region

Our revenue derived from Chinese Mainland increased by 84.1% from RMB29,047.4 million in 2023 to RMB53,475.5 million in 2024, primarily due to the increases in sales of digital infrastructure products in Chinese Mainland, mainly as we successfully capitalized on the rapid expansion of the AI industry through our continuous efforts in providing quality and full-stack digital infrastructure products.

Our revenue derived from overseas markets remained relatively stable at RMB56,291.1 million in 2023 and RMB56,402.5 million in 2024.

Cost of Sales

Our cost of sales increased by 31.6% from RMB76,001.6 million in 2023 to RMB99,994.5 million in 2024, which was primarily in line with the expansion of our business.

Gross Profit and Gross Profit Margin

As a result of the forgoing, our gross profit increased by 5.9% from RMB9,336.9 million in 2023 to RMB9,883.5 million in 2024. Our gross profit margin decreased from 10.9% in 2023 to 9.0% in 2024, primarily due to changes in product mix.

Our gross profit for mobile terminals decreased by 28.2% from RMB6,909.4 million in 2023 to RMB4,960.3 million in 2024. The gross profit margin of our mobile terminals decreased from 14.4% in 2023 to 9.7% in 2024, primarily due to price fluctuations in upstream markets in 2023, which resulted in relatively low average procurement costs of our raw materials in 2023. Such decrease in raw material prices did not continue in 2024.

Our gross profit for computing and data center business increased by 102.5% from RMB1,846.6 million in 2023 to RMB3,738.8 million in 2024. The gross profit margin of our computing and data center business increased from 5.5% in 2023 to 7.5% in 2024 primarily due to (i) enhanced product competitiveness accompanied with optimized cost management and operational efficiency of our PC products, and (ii) initiation of mass production and deliveries of our digital infrastructure products, resulting in increased economies of scale.

Our gross profit for AIoT products increased by 131.5% from RMB341.5 million in 2023 to RMB790.4 million in 2024. The gross profit margin of our AIoT products decreased from 20.9% in 2023 to 16.9% in 2024 primarily due to an increase in revenue contribution from speakers, which had a relatively lower gross profit margin.

Our gross profit for innovative business increased by 103.4% from RMB148.5 million in 2023 to RMB302.0 million in 2024. The gross profit margin of our innovative business remained relatively stable at 18.1% in 2023 and 19.2% in 2024.

Our gross profit for other business remained relatively stable at RMB90.9 million in 2023 and RMB92.0 million in 2024. The gross profit margin for other business decreased from 7.9% in 2023 to 3.2% in 2024.

Other Income

Our other income increased by 31.2% from RMB758.4 million in 2023 to RMB995.2 million in 2024, primarily due to (i) an increase of RMB145.9 million in government grants, and (ii) an increase of RMB109.6 million in interest income from wealth management products mainly as we purchased more wealth management products to optimize the utilization of cash on hand.

Other Gains and Losses, Net

Our other gains and losses, net decreased by 12.3% from RMB364.7 million in 2023 to RMB319.9 million in 2024, primarily due to a loss of RMB188.4 million on fair value changes of financial assets and financial liabilities measured at FVTPL in 2024 as compared to a gain of RMB275.2 million in 2023 mainly as a result of the fair value changes in our equity investments, foreign exchange options and forward contracts and wealth management products, partially offset by an increase of RMB175.0 million in net gains on disposal of financial assets and financial liabilities measured at FVTPL, primarily in relation to the disposal of our equity investments in certain publicly listed companies.

Provision for Impairment Losses

Our provision for impairment losses decreased by 65.7% from RMB342.8 million in 2023 to RMB117.7 million in 2024, primarily due to (i) a decrease of RMB97.6 million in impairment of inventories and a decrease of RMB75.6 million in impairment of investment in associates, both of which were mainly as a result of the relatively high impairment in 2023, and (ii) an impairment loss of RMB44.4 million in 2023 as compared to a reversal of impairment losses on trade and bills receivables of RMB4.2 million in 2024 as we recovered some of our trade receivables that were previously written-off.

Selling Expenses

Our selling expenses increased by 9.1% from RMB199.2 million in 2023 to RMB217.3 million in 2024, primarily due to an increase of RMB17.7 million in salaries, compensation and benefits, primarily driven by the increases in the number of sales and marketing personnel, which was primarily in line with the expansion of our business. Our selling expenses as a percentage of our total revenue remained stable at 0.2% in 2023 and 2024.

General and Administrative Expenses

Our general and administrative expenses increased by 5.7% from RMB2,198.2 million in 2023 to RMB2,323.3 million in 2024, primarily due to (i) an increase of RMB43.3 million in salaries, compensation and benefits mainly as a result of the increase in the number of management and administrative personnel, and (ii) an increase of RMB47.7 million in administrative and business expenses, both of which were primarily in line with the expansion of our business. Our general and administrative expenses as a percentage of our total revenue slightly decreased from 2.6% in 2023 to 2.1% in 2024 mainly as a result of our increased economies of scale.

Research and Development Expenses

Our research and development expenses increased by 13.4% from RMB4,547.5 million in 2023 to RMB5,155.8 million in 2024, primarily due to (i) an increase of RMB319.8 million in materials and consumables used, (ii) an increase of RMB120.8 million in technical support service expenses, and (iii) an increase of RMB103.7 million in salaries, compensation and benefits, all of which were mainly as a result of our business expansion and continued efforts in product innovation. Our research and development expenses as a percentage of our total revenue decreased from 5.3% in 2023 to 4.7% in 2024 primarily due to the rapid growth of our revenue.

Finance Costs

Our finance costs decreased by 9.7% from RMB270.3 million in 2023 to RMB244.1 million in 2024, primarily due to a decrease of RMB28.4 million in interest on borrowings, mainly as a result of the optimization of our financing structure to reduce finance costs.

Share of Results of Associates

We recorded share of losses of associates of RMB66.7 million in 2023 and RMB103.3 million in 2024, primarily as a result of fluctuations in the performance of some of our associates and changes in the composition of our investment portfolio.

Income Tax Expenses

Our income tax expenses decreased by 32.3% from RMB178.2 million in 2023 to RMB120.7 million in 2024, primarily due to the utilization of the previously unutilized deferred tax assets.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 9.8% from RMB2,657.0 million in 2023 to RMB2,916.4 million in 2024.

DESCRIPTION OF CERTAIN CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS ITEMS

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

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-current assets			
Property, plant and equipment	7,716,001	9,654,042	13,216,560
Intangible assets	120,222	615,515	653,874
Right-of-use assets	1,399,904	1,765,154	1,904,713
Goodwill	599	1,331,868	1,376,301
Investments in associates	1,147,364	1,648,298	4,161,827
Financial assets at fair value through profit or loss ("FVTPL")	2,502,062	2,462,646	2,687,906
Deferred tax assets	429,136	522,061	417,498
Prepayments	78,290	212,852	513,653
Certificates of deposits held	738,673	421,383	–
Time deposits	1,243,573	1,441,448	526,304
Total non-current assets	15,375,824	20,075,267	25,458,636

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current assets			
Inventories	4,343,675	11,476,053	14,623,928
Trade and bills receivables	14,417,624	25,507,027	34,368,702
Prepayments, deposits and other receivables	1,769,912	3,484,009	5,082,864
Financial assets at fair value through other comprehensive income ("FVTOCI")	49,682	24,691	331,229
Financial assets at FVTPL	2,726,902	1,177,847	777,909
Derivative financial instruments	83,347	222,976	134,060
Tax recoverable	6,820	14,766	50,605
Time deposits	–	32,431	952,861
Certificates of deposits held	–	640,118	434,260
Restricted bank deposits	2,505,212	2,216,458	3,720,326
Cash and bank balances	10,230,638	11,425,180	10,270,248
Total current assets	36,133,812	56,221,556	70,746,992
Total assets	51,509,636	76,296,823	96,205,628
Current liabilities			
Trade and bills payables	21,633,520	37,280,614	45,206,094
Other payables and accruals	1,548,270	1,927,097	2,326,400
Contract liabilities	121,481	492,518	673,531
Borrowings	4,757,354	9,093,003	14,577,287
Tax payables	144,232	427,823	516,377
Derivative financial instruments	49,934	231,746	158,262
Lease liabilities	170,962	216,132	225,710
Provision	–	–	16,960
Total current liabilities	28,425,753	49,668,933	63,700,621
Net current assets	7,708,059	6,552,623	7,046,371
Total assets less current liabilities	23,083,883	26,627,890	32,505,007
Non-current liabilities			
Borrowings	1,345,171	2,472,963	4,749,497
Deferred income	259,907	249,560	327,561
Lease liabilities	268,975	461,510	465,601
Deferred tax liabilities	366,783	519,797	413,047
Other payables and accruals	–	–	44,433
Provision	–	–	159,540
Total non-current liabilities	2,240,836	3,703,830	6,159,679
NET ASSETS	20,843,047	22,924,060	26,345,328
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	724,252	1,015,891	1,015,732
Reserves	11,037,668	10,546,985	10,746,777
Retained earnings	9,104,411	10,980,382	14,034,848
	20,866,331	22,543,258	25,797,357
Non-controlling interests	(23,284)	380,802	547,971
TOTAL EQUITY	20,843,047	22,924,060	26,345,328

Inventories

Our inventories comprise raw materials, outsourced processing materials, work in progress, finished goods and goods in transit to customers. The following table sets forth a breakdown of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Raw materials	2,951,155	7,607,500	8,525,743
Outsourced processing materials	531,649	671,611	2,641,789
Work in progress	158,609	347,395	278,176
Finished goods	855,646	2,955,454	3,206,813
Goods in transit to customers	46,028	15,689	166,735
Less: provision for inventory impairment	(199,412)	(121,596)	(195,328)
Total	4,343,675	11,476,053	14,623,928

Our inventories increased significantly from RMB4,343.7 million as of December 31, 2023 to RMB11,476.1 million as of December 31, 2024, primarily in line with our business expansion.

Our inventories increased from RMB11,476.1 million as of December 31, 2024 to RMB14,623.9 million as of December 31, 2025, primarily in line with our business expansion.

The following table sets forth an aging analysis of our inventories based on recognition date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	4,406,870	11,445,793	14,596,347
Over one year	136,217	151,856	222,909
Less: provision for inventory impairment	(199,412)	(121,596)	(195,328)
Total	4,343,675	11,476,053	14,623,928

Our provision for inventory impairment was RMB199.4 million, RMB121.6 million and RMB195.3 million as of December 31, 2023, 2024 and 2025, respectively, primarily related to slow-moving inventories exceeding one year and adjustments for impaired or defective inventories. We periodically assess impairment of inventories and typically recognize write-down of inventories when their carrying amount is lower than their net realizable value. As such, we believe we have made sufficient provision for inventory impairment during the Track Record Period.

The following table sets forth our inventory turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days[1]	25.3	28.9	30.1

Note:

(1) Inventory turnover days equal the average of beginning balance and ending balance of the inventories for relevant period divided by total cost of sales for the same year and multiplied by 365 days.

Our inventory turnover days were 25.3 days and 28.9 days in 2023 and 2024, respectively, which remained generally stable. Our inventory turnover days increased from 28.9 days in 2024 to 30.1 days in 2025, primarily due to an increase in sales of our data center products, which had a higher inventory turnover days.

As of February 28, 2026, RMB11,035.9 million, or approximately 74.5%, of our inventories as of December 31, 2025 had been subsequently sold or utilized.

Trade and Bills Receivables

Our trade and bills receivables primarily arise from sales of our products on credit. The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables	14,513,006	25,462,076	34,242,395
Less: loss allowance for trade receivables	(146,246)	(52,666)	(62,722)
	14,366,760	25,409,410	34,179,673
Bills receivables	50,872	97,626	189,056
Less: loss allowance for bill receivables	(8)	(9)	(27)
	50,864	97,617	189,029
Total	14,417,624	25,507,027	34,368,702

Our trade and bills receivables increased from RMB14,417.6 million as of December 31, 2023 to RMB25,507.0 million as of December 31, 2024, primarily because our revenue in the fourth quarter of 2024 increased significantly as compared to the same period in 2023, mainly driven by an increase in revenue generated from our computing and data center business as we successfully capitalized on the continuous expansion of the AI industry. Our trade and bills receivables further increased from RMB25,507.0 million as of December 31, 2024 to RMB34,368.7 million as of December 31, 2025, primarily driven by the increase in our revenue during the period.

The credit period that we granted to customers during the Track Record Period was typically 30 to 90 days. The following table sets forth an aging analysis of our trade receivables, net of allowance for impairment losses, based on the respective revenue recognition dates as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	14,419,895	25,418,531	34,179,126
Over 1 year	93,111	43,545	63,269
Less: loss allowance for trade receivables	(146,246)	(52,666)	(62,722)
Total	14,366,760	25,409,410	34,179,673

We have a comprehensive credit management policy for our customers. We seek to maintain strict control over our receivables. Our credit control department is responsible for minimizing credit risks. Our senior management regularly reviews the recoverability of our outstanding balances and, when appropriate, provides for impairment of these trade receivables. We apply the IFRS 9 simplified approach to measure expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables are assessed collectively using a provision matrix based on our historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions, including time value of money where appropriate.

We recorded loss allowance for trade receivables of RMB146.2 million, RMB52.7 million and RMB62.7 million as of December 31, 2023, 2024 and 2025, respectively. The fluctuation in our impairment losses of trade receivables were primarily due to the provision we made in accordance with our accounting policy in 2023.

During the Track Record Period, substantially all of our trade receivables were aged within one year. In addition, we believe we have made sufficient credit loss allowances for our trade receivables, based on (i) our comprehensive credit risk management system, which includes credit evaluations and tailored credit policies, and (ii) stringent internal measures that enhance the collection and management of trade receivables. In light of the above, we believe that we do not have any specific recoverability issue. The following table sets forth the turnover days of our trade and bills receivables for the periods indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
Trade and bills receivables turnover days[(1)]	61.5	66.3	63.7

Note:

(1) Trade and bills receivables turnover days equal the average of beginning balance and ending balance of trade and bills receivables for relevant period divided by total revenue for the same year and multiplied by 365 days.

Our trade and bills receivables turnover days remained relatively stable at 61.5 days, 66.3 days and 63.7 days in 2023, 2024 and 2025, respectively.

As of February 28, 2026, RMB25,830.4 million, or approximately 75.0%, of our trade and bills receivables as of December 31, 2025 had been subsequently settled.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily include (i) deposits and other receivables, mainly relating to prepaid input VAT, and (ii) prepayments to our suppliers for raw materials and property, plant and equipment.

The table below sets forth the breakdown of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Current			
Deposit and other receivables	1,749,098	3,379,294	4,924,446
Prepayments	41,649	122,441	176,167
Less: loss allowance for other receivables	(20,835)	(17,726)	(17,749)
	1,769,912	3,484,009	5,082,864
Non-current			
Prepayments	78,290	212,852	513,653
Total	1,848,202	3,696,861	5,596,517

Our prepayments, deposits and other receivables increased significantly from RMB1,848.2 million as of December 31, 2023 to RMB3,696.9 million as of December 31, 2024, and further increased to RMB5,596.5 million as of December 31, 2025, primarily due to an increase in prepaid input VAT mainly as a result of an increase in purchases of inventories and equipment to support our business expansion.

As of February 28, 2026, RMB3,208.0 million, or approximately 62.9%, of the current portion of our prepayments, deposits and other receivables as of December 31, 2025 had been subsequently settled.

Trade and Bills Payables

Our trade and bills payables primarily consist of trade payables to our suppliers. The following table sets forth our trade and bills payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade payables	15,368,918	29,234,644	34,183,865
Bills payables	6,264,602	8,045,970	11,022,229
Total	21,633,520	37,280,614	45,206,094

Our trade and bills payables increased from RMB21,633.5 million as of December 31, 2023 to RMB37,280.6 million as of December 31, 2024 and further increased to RMB45,206.1 million as of December 31, 2025, as a result of increased trade payables related to raw material purchases in line with our business expansion.

During the Track Record Period, our suppliers typically granted us a credit period of 30 to 120 days. The following table sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	14,610,396	29,015,971	34,005,331
Over one year	758,522	218,673	178,534
Total	15,368,918	29,234,644	34,183,865

As of December 31, 2023, 2024 and 2025, we recorded trade payables over one year of RMB758.5 million, RMB218.7 million and RMB178.5 million, respectively, primarily representing outstanding balances for our equipment and construction-in-progress.

The following table sets forth the turnover days of our trade and bills payables for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade and bills payables turnover days[(1)]	105.3	107.5	95.2

Note:

(1) Trade and bills payables turnover days equal the average of the beginning balance and ending balance of trade and bills payables for relevant period divided by total cost of sales for the same year and multiplied by 365 days.

Our trade and bills payables turnover days remained relatively stable at 105.3 days and 107.5 days in 2023 and 2024, respectively. Our trade and bills payables turnover days decreased to 95.2 days in 2025, primarily due to changes in our product sales mix, which resulted in an overall reduction in the average credit period.

As of February 28, 2026, RMB35,623.8 million, or approximately 78.8%, of our trade and bills payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of salary and bonus payables, other taxes payables, deposits received from suppliers, accrued expense and consideration payable for acquisition of subsidiaries. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Salary and bonus payables	1,208,313	1,274,637	1,504,539
Other taxes payable	199,802	196,101	354,198
Deposits received	93,978	124,946	159,573
Accrued expense	41,381	94,127	68,903
Purchase consideration payables for investee companies	–	147,170	31,889
Accrual for repurchase of restricted shares	–	72,525	138,970
Endorsed note receivables without been derecognized and not yet due	404	3,912	22,805
Interest payables	2,057	4,221	6,730
Related parties	20	2,225	1,500
Others	2,315	7,233	37,293
Current	**1,548,270**	**1,927,097**	**2,326,400**
Other long-term employee benefits payable	–	–	44,433
Non-current	**–**	**–**	**44,433**
Total	**1,548,270**	**1,927,097**	**2,370,833**

Our other payables and accruals further increased from RMB1,548.3 million as of December 31, 2023 to RMB1,927.1 million as of December 31, 2024, primarily because (i) we recorded consideration payable for acquisition of subsidiaries primarily in relation to the remaining payments and taxes to be paid for the acquisition of a subsidiary, (ii) accrual for repurchase of restricted shares reflecting our obligation to repurchase shares under our share incentive scheme. Our other payables and accruals further increased from RMB1,927.1 million as of December 31, 2024 to RMB2,370.8 million as of December 31, 2025, primarily due to (i) an increase in salary and bonus payables mainly resulting from an increase in staff in line with the expansion of our business, and (ii) an increase in other taxes payables.

As of February 28, 2026, RMB1,509.2 million, or approximately 64.9%, of the current portion of our other payables and accruals as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities are recognized when a payment is received from a customer before we transfer the related goods or services. Our contract liabilities increased from RMB121.5 million as of December 31, 2023 to RMB492.5 million as of December 31, 2024 and further increased to RMB673.5 million as of December 31, 2025. The fluctuations were primarily due to the performance of relevant obligations and subsequent recognition as revenue.

As of February 28, 2026, RMB528,016 million, or approximately 78.4% of our contract liabilities were subsequently recognized as revenue.

NET CURRENT ASSETS

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Current assets				
Inventories	4,343,675	11,476,053	14,623,928	17,848,484
Trade and bills receivables	14,417,624	25,507,027	34,368,702	29,483,538
Prepayments, deposits and other receivables	1,769,912	3,484,009	5,082,864	5,963,911
Financial assets at fair value through other comprehensive income	49,682	24,691	331,229	195,299
Financial assets at FVTPL	2,726,902	1,177,847	777,909	2,012,552
Derivative financial instruments	83,347	222,976	134,060	101,923
Tax recoverable	6,820	14,766	50,605	33,201
Time deposits	–	32,431	952,861	1,485,261
Certificates of deposits held	–	640,118	434,260	326,800
Restricted bank deposits	2,505,212	2,216,458	3,720,326	4,882,457
Cash and bank balances	10,230,638	11,425,180	10,270,248	10,356,329
Total current assets	36,133,812	56,221,556	70,746,992	72,689,755
Current liabilities				
Trade and bills payables	21,633,520	37,280,614	45,206,094	44,522,361
Other payables and accruals	1,548,270	1,927,097	2,326,400	2,153,044
Contract liabilities	121,481	492,518	673,531	736,530
Borrowings	4,757,354	9,093,003	14,577,287	16,093,292
Tax payables	144,232	427,823	516,377	543,148
Derivative financial instruments	49,934	231,746	158,262	211,584
Lease liabilities	170,962	216,132	225,710	213,313
Provision	–	–	16,960	16,960
Total current liabilities	28,425,753	49,668,933	63,700,621	64,490,232
Net current assets	7,708,059	6,552,623	7,046,371	8,199,523

Our net current assets increased by 16.4% from RMB7,046.4 million as of December 31, 2025 to RMB8,199.5 million as of February 28, 2026, primarily due to (i) an increase in our inventories of RMB3,224.6 million, primarily in line with our business expansion, (ii) an increase in financial assets at FVTPL of RMB1,234.7 million, primarily due to our equity investments, and (iii) an increase in our restricted bank deposits of RMB1,162.2 million, partially offset by a decrease in trade and bills receivables as a result of lower sales volumes during the Chinese New Year period.

Our net current assets increased by 7.5% from RMB6,552.6 million as of December 31, 2024 to RMB7,046.4 million as of December 31, 2025, primarily due to (i) an increase in trade and bills receivables of RMB8,861.7 million, primarily in line with the growth in our revenue, (ii) an increase in our inventories of RMB3,147.8 million, primarily in line with our business expansion and (iii) an increase in our restricted bank deposits of RMB1,503.8 million, partially offset by an increase in trade and bills payables of RMB7,925.5 million in relation to raw material purchases in line with the increases in our sales volume.

Our net current assets decreased by 15.0% from RMB7,708.1 million as of December 31, 2023 to RMB6,552.6 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB11,089.4 million related to increased sales volume in line with our business expansion and (ii) an increase in borrowings of RMB4,335.6 million to support our business expansion.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital Sufficiency

Our Directors are of the view, and the Joint Sponsors concur, that taking into account our available resources including cash and cash equivalents on hand, the operating cash flows, the available banking facilities and the net estimated proceeds from the Global Offering, we have sufficient working capital for our present requirements and for the next 12 months from the date of this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we primarily funded our cash requirements from cash from operations and bank borrowings.

Cash Flows

The following table sets forth selected cash flow statements for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash generated from/(used in) operating activities	3,849,780	1,375,754	(223,312)
Net cash used in investing activities	(3,324,808)	(3,619,454)	(7,383,631)
Net cash generated from financing activities	5,437,305	3,348,043	6,691,630
Net increase/(decrease) in cash and cash equivalents	5,962,277	1,104,343	(915,313)
Cash and cash equivalents at the beginning of the period	4,502,971	10,230,638	11,425,180
Effect of exchange rate changes	(234,610)	90,199	(239,619)
Cash and cash equivalents at the end of the period	10,230,638	11,425,180	10,270,248

Net Cash Generated from/(Used in) Operating Activities

For the year ended December 31, 2025, we had net cash used in operating activities of RMB223.3 million, which represents our profit before tax of RMB4,475.9 million, adjusted for certain non-cash and non-operating items, primarily including (i) net gains from change in fair value of financial assets and liabilities at FVTPL of RMB197.0 million and (ii) net gains from disposal of financial assets and liabilities at FVTPL of RMB187.7 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in receivables of RMB12,168.7 million and (ii) an increase in inventories of RMB3,353.7 million, partially offset by (i) an increase in payables of RMB9,465.7 million and (ii) depreciation of property, plant and equipment of RMB1,278.4 million. We will continue to monitor our cash flows from operations closely and improve our net operating cash out flows position through a variety of means, including

(i) refining our supply chain management through improving our overall working capital turnover including inventory turnover, accounts receivables and payables turnover, and (ii) improving profitability through optimizing cost structure and product portfolio.

For the year ended December 31, 2024, we had net cash generated from operating activities of RMB1,375.8 million, which represents our profit before tax of RMB3,037.1 million, adjusted for certain non-cash and non-operating items, primarily including (i) depreciation of property, plant and equipment of RMB1,020.8 million and (ii) finance costs of RMB244.1 million. The amount was further adjusted by changes in working capital, primarily including an increase in payables of RMB14,043.4 million. The foregoing was partially offset by (i) an increase in receivables of RMB10,612.2 million and (ii) an increase in inventories of RMB6,432.4 million.

For the year ended December 31, 2023, we had net cash generated from operating activities of RMB3,849.8 million, which represents our profit before tax of RMB2,835.2 million, adjusted for certain non-cash and non-operating items, primarily including (i) depreciation of property, plant and equipment of RMB911.3 million and (ii) finance costs of RMB270.3 million. The amount was further adjusted by changes in working capital, primarily including a decrease in inventories of RMB1,680.2 million. The foregoing was partially offset by (i) a decrease in payables of RMB1,122.5 million and (ii) an increase in receivables of RMB1,025.2 million.

Net Cash Used in Investing Activities

For the year ended December 31, 2025, we had net cash used in investing activities of RMB7,383.6 million, primarily due to (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB3,431.6 million, (ii) purchase and disposal of investments in associates, net of RMB2,493.9 million, and (iii) payments for acquisition of subsidiaries (net of cash acquired) of RMB2,223.3 million, partially offset by net proceeds from financial assets/liabilities at FVTPL of RMB673.4 million.

For the year ended December 31, 2024, we had net cash used in investing activities of RMB3,619.5 million, primarily due to (i) payments for acquisition of subsidiaries (net of cash acquired) of RMB2,566.3 million and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB2,066.9 million, partially offset by net proceeds from financial assets/liabilities at FVTPL of RMB1,646.8 million.

For the year ended December 31, 2023, we had net cash used in investing activities of RMB3,324.8 million, primarily due to (i) net proceeds from financial assets/liabilities at FVTPL of RMB1,769.8 million and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1,464.8 million.

Net Cash Generated from Financing Activities

For the year ended December 31, 2025, we had net cash generated from financing activities of RMB6,691.6 million, primarily due to proceeds from bank borrowings of RMB24,737.4 million, partially offset by (i) repayments of bank borrowings of RMB16,030.6 million and (ii) payment for time deposit, certificate of deposit, restricted cash and other receivable pledged for borrowing and lease of RMB788.1 million.

For the year ended December 31, 2024, we had net cash generated from financing activities of RMB3,348.0 million, primarily due to proceeds from bank borrowings of RMB20,288.4 million, partially offset by repayments of bank borrowings of RMB14,699.2 million.

For the year ended December 31, 2023, we had net cash generated from financing activities of RMB5,437.3 million, primarily due to (i) proceeds from initial public offering on Shanghai Stock Exchange of RMB5,762.0 million and (ii) proceeds from bank borrowings of RMB10,705.7 million, partially offset by repayments of bank borrowings of RMB10,871.7 million.

INDEBTEDNESS

The table below sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
		(RMB in thousands)		
Borrowings	6,102,525	11,565,966	19,326,784	20,728,582
Lease liabilities	439,937	677,642	691,311	670,937
Bonds payables	–	–	–	801,736
Total indebtedness	6,542,462	12,243,608	20,018,095	22,201,255

Borrowings

The table below sets forth a breakdown of our borrowings as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
		(RMB in thousands)		
Current portion				
Bank borrowings, secured	72,000	858,257	136,700	206,442
Bank borrowings, unsecured	889,400	1,040,572	1,426,543	1,304,884
Discounting of acceptance bill	3,774,119	7,194,174	13,014,044	14,581,966
Other borrowing	21,835	–	–	–
Non-current portion				
Bank borrowings, secured	1,019,341	495,000	2,168,602	2,093,602
Bank borrowings, unsecured	325,830	1,977,963	2,580,895	2,541,688
Total borrowings	**6,102,525**	**11,565,966**	**19,326,784**	**20,728,582**

As of December 31, 2023, 2024 and 2025, we had borrowings (including current and non-current portions) of RMB6,102.5 million, RMB11,566.0 million and RMB19,326.8 million, respectively, mainly representing (i) secured and unsecured bank borrowings primarily to supplement our working capital, and (ii) discounting of acceptance bills in our ordinary course of business.

As of December 31, 2023, 2024 and 2025, our bank and other borrowings of RMB1,113.2 million, RMB1,353.3 million and RMB2,305.3 million, respectively, were secured by certain of our assets. For details on the secured assets, please refer to Note 34 of the Accountants' Report in Appendix I to this prospectus.

As of December 31, 2023, 2024 and 2025, the effective interest rate on our bank borrowings ranged from 2.3% to 5.4%, 2.1% to 5.0% and from 2.1% to 4.9%, respectively.

Our total borrowings increased from RMB6,102.5 million as of December 31, 2023 to RMB11,566.0 million as of December 31, 2024, and further to RMB19,326.8 million as of December 31, 2025, primarily to support our business expansion.

Our bank and other borrowings contain standard terms that are customary for commercial bank and other borrowings. As of December 31, 2023, 2024 and 2025, none of the Group's banking facilities (including bank borrowings) are subject to the fulfillment of financial covenants. Our Directors confirm that we did not experience any difficulty in obtaining bank and other borrowings, default in payments of bank and other borrowings, or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As of February 28, 2026, we had unutilized banking facilities of approximately RMB31,632.6 million.

The following table sets forth the maturity analysis of our bank borrowings as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
		(RMB in thousands)		
On demand or within one year	4,757,354	9,093,003	14,577,287	16,093,292
More than one year, but not exceeding two years	850,171	107,800	2,092,921	1,623,965
More than two years, but not exceeding five years	310,000	1,966,313	1,969,101	990,045
Over five years	185,000	398,850	687,475	2,021,280
Total	6,102,525	11,565,966	19,326,784	20,728,582

Lease Liabilities

Our lease liabilities are in relation to properties that we lease for our offices and manufacturing facilities. As of December 31, 2023, 2024 and 2025, we recognized total lease liabilities of RMB439.9 million, RMB677.6 million and RMB691.3 million, respectively. The fluctuation in our lease liabilities was primarily due to the addition of new leased properties as a result of our business expansion as well as the expiration of certain leases.

Save as disclosed above, as of February 28, 2026, being the latest 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. Since February 28, 2026 and up to the date of this prospectus, our Directors have confirmed that there had been no material change in our indebtedness.

Bonds Payables

In January 2026, we issued bonds in an aggregate principal amount of RMB800.0 million, with a term of three years, bearing an interest rate of 1.98% per annum.

CAPITAL EXPENDITURES

Our capital expenditures were RMB1,402.1 million, RMB2,014.1 million and RMB2,932.1 million in 2023, 2024 and 2025, respectively, primarily related to purchase of property, plant and equipment used in our manufacturing and intangible assets and land use rights. We expect that our capital expenditures in 2025 will primarily consist of purchase of property, plant and equipment used in our manufacturing and intangible assets. We expect to finance our capital expenditures through existing cash on hand, bank borrowings and the net proceeds from the Global Offering. 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

Our capital commitments primarily represent capital expenditure contracted for but not provided for purchase of property, plant and equipment, intangible assets and land use rights during the Track Record Period.

The table below sets forth, as at the dates indicated, our capital commitments.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Capital expenditure contracted for but not provided for purchase of property, plant and equipment, intangible assets and land use rights	1,594,337	2,021,080	1,974,772

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any significant contingent liabilities. Our Directors confirmed that there had not been any material change in the contingent liabilities of our Company since December 31, 2025 and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

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

	As of/Year ended December 31,		
	2023	2024	2025
Revenue growth rate(1)	(7.9%)	28.8%	56.0%
Gross profit margin(2)	10.9%	9.0%	7.7%
Net profit growth rate(3)	5.7%	9.8%	41.7%
Return on equity(4)	16.3%	13.5%	16.9%
Current ratio(5)	1.3	1.1	1.1
Quick ratio(6)	1.1	0.9	0.9

Notes:

(1) Revenue growth rate is calculated as the increase in revenue for the current year compared to the previous year, divided by revenue for the previous year and multiplied by 100%.

(2) Gross profit margin is calculated as gross profit for the year divided by revenue for the corresponding year and multiplied by 100%.

(3) Net profit growth rate is calculated as the increase in net profit for the current year compared to the previous year, divided by net profit for the previous year and multiplied by 100%.

(4) Return on equity is calculated as profit for the year attributable to the owners of our Company divided by the average balance of equity attributable to owners of our Company and multiplied by 100%.

(5) Current ratio is calculated as total current assets as at the end of the year divided by total current liabilities as at the end of the corresponding year.

(6) Quick ratio is calculated as total current assets less inventories as at the end of the year and divided by total current liabilities as at the end of the corresponding year.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any outstanding off-balance sheet arrangements.

FINANCIAL RISK MANAGEMENT

We are exposed to various market risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk as set out below. We are exposed to various market risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For more details, including relevant sensitivity analysis, see Note 42 to the Accountants' Report as set out in Appendix I of the prospectus.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered transactions with our related parties from time to time. All of our balances with related parties were trade in nature during the Track Record Period. See Note 46 to Appendix I to this prospectus. Our Directors believe that these transactions were conducted on normal commercial terms and on an arm's length basis in the ordinary and usual course of business, which are considered fair, reasonable and in the interest of our Shareholders as a whole.

DIVIDENDS

PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. We have no formal dividend policy or pre-determined distribution ratio. We prioritize distributing dividends in the form of cash, but may also distribute dividends in the form of stocks or a combination of cash and stocks. Our dividend policy sets forth that, subject to the condition that the Company has recorded a net profit for the year and maintains a positive balance of accumulated undistributed profits, and provided that such distribution would not impair the Company's ability to sustain ongoing operations and long-term development, the Company shall prioritize profit distribution by way of cash dividends in the absence of any significant capital expenditure plans. The amount of profits distributed by cash dividends shall not be less than 10% of the distributable profits realized for that year.

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

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Final dividends proposed after the end of the reporting period	869,032	911,630	1,215,846

All of such dividends declared in 2023 and 2024 were paid from our retained profits and had been fully settled as of the Latest Practicable Date. We declared dividends in the aggregate amount of RMB1,215.8 million for the year ended December 31, 2025 in March 2026, which will be settled in June 2026.

The final dividend proposed after the end of each year during the Track Record Period has not been recognized as a liability at the end of each year.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained profits of RMB14,034.8 million.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and other fees incurred in connection with the Global Offering. Listing expenses to be borne by us are estimated to be approximately RMB75.7 million (HK$86.1 million), comprising: (i) underwriting fees of RMB28.0 million (HK$31.9 million); and (ii) non-underwriting-related expenses of RMB47.7 million (HK$54.2 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB28.4 million (HK$32.3 million); and (b) other fees and expenses of RMB19.3 million (HK$21.9 million), assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on the Offer Price of HK$77.70 per Offer Share. During the Track Record Period, we incurred listing expenses of RMB21.8 million, of which RMB0.5 million was charged to our consolidated statements of profit or loss and other comprehensive income, and RMB21.3 million was directly attributable to the issue of our H Shares to the public and is expected to be deducted from equity upon the Listing. Subsequent to the Track Record Period, approximately RMB9.2 million (HK$10.4 million) is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately RMB44.7 million (HK$50.9 million) is expected to be accounted for as a deduction from equity upon Listing. The listing expenses are expected to represent approximately 1.9% of the gross proceeds of the Global Offering, assuming an Offer Price of HK$77.70 per Offer Share and that the Offer Size Adjustment Option and the Over-allotment Option are not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For more information, please see Unaudited Pro Forma Financial Information in Appendix II to this prospectus.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the end date of the period reported on in the Accountant's Report in Appendix I to this prospectus) and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountant's 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.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (the "**Cornerstone Investment Agreements**") with the cornerstone investors set forth below (the "**Cornerstone Investors**") who have agreed to subscribe for such number of our Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) which may be purchased at the Offer Price with an aggregate amount of approximately US$289.99 million (or approximately HK$2,272.73 million, calculated based on an exchange rate of US$1.00 to HK$7.8373) (exclusive of the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Based on an Offer Price of HK$77.70 per Offer Share (being the maximum Offer Price), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 29,250,100 H Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Offer Size Adjustment Option is not exercised				**Assuming the Offer Size Adjustment Option is exercised in full**			
Assuming the Over-allotment Option is not exercised		**Assuming the Over-allotment Option is exercised in full**		**Assuming the Over-allotment Option is not exercised**		**Assuming the Over-allotment Option is exercised in full**	
Approximate % of the Offer Shares	*Approximate % of the total issued share capital*	*Approximate % of the Offer Shares*	*Approximate % of the total issued share capital*	*Approximate % of the Offer Shares*	*Approximate % of the total issued share capital*	*Approximate % of the Offer Shares*	*Approximate % of the total issued share capital*
49.96%	2.72%	43.44%	2.70%	43.44%	2.70%	37.78%	2.68%

Our Company is of the view that, leveraging on the Cornerstone Investors' investment experience and market position, the Cornerstone Placing will help to raise the profile of our Company and to signify that such Cornerstone Investors have confidence in our Company's business and prospects. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's existing Shareholders or the Overall Coordinators involved in the Global Offering.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors (and, for Cornerstone Investors who will subscribe for our Offer Shares through qualified domestic institutional investor ("**QDII**"), the QDIIs) and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors (and, for Cornerstone Investors who will subscribe for our Offer Shares through QDII, the QDIIs) will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors and their close associates will become a substantial shareholder of the Company; (ii) none of the Cornerstone Investors and their close associates will have any Board representation in the Company solely by virtue of its cornerstone investment, and (iii) equity interests in the Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge, information and belief of our Company, other than JPMAMAPL, Shanghai Gaoyi, Perseverance Asset Management, Taikang Life and UBS AM Singapore (collectively, the "**Relevant Investors**"), each of which is either an existing minority Shareholder or its respective close associates of our Company, (i) the other Cornerstone Investors and its respective ultimate beneficial owners are Independent Third Parties; (ii) none of the Cornerstone Investors is accustomed to take or has taken instructions from our Company, the Directors, chief executive of our Company, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly or indirectly financed by our Company, the Directors, chief executive of our Company, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 of the Listing Rules and consent under paragraph 1C(2) of Appendix Fl to the Listing Rules to permit Offer Shares in the International Offering to be placed to the Relevant Investors. For further details, see "Waivers and Exemptions — Allocation of H Shares to Existing Minority Shareholders and Their Close Associates."

To the best knowledge of the Company and as confirmed by each of the Cornerstone Investors, their subscriptions under the Cornerstone Investment would be financed by their own internal resources, resources of their shareholders or (in the case of the Cornerstone Investor which is funds or investment manager) the assets managed for their investors, and each of them has sufficient funds to settle its respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors (and, for any Cornerstone Investors who will subscribe for our Offer Shares through QDII, the QDIIs) under the Cornerstone Investment may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus. Further, the Sponsor-Overall Coordinator and the Company can adjust the number of Offer Shares to be acquired by each Cornerstone Investor in their sole and absolute discretion for the purpose of compliance with Rules 8.08(3), 19A.13A and 19A.13C of the Listing Rules, Practice Note 18 to the Listing Rules and Appendix F1 (Placing Guidelines for Equity Securities) to the Listing Rules. Details of the actual number of Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around April 22, 2026. The Cornerstone Investors have agreed to pay in full for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. Certain Cornerstone Investors have agreed that delivery of all or any part of the Offer Shares it will subscribe may be deferred to a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Placing. There will be no delayed delivery if there is no over-allocation in the International Placing. For details of the Offer Size Adjustment Option, the Over-allotment Option and the stabilization action by the Stabilizing Manager, see "Structure of the Global Offering — The International Offering — Offer Size Adjustment Option", "Structure of the Global Offering — The International Offering — Over-allotment Option" and "Structure of the Global Offering — Stabilization" in this prospectus.

THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing:

Cornerstone Investor	Subscription amount[1] (USD in millions)	Number of Offer Shares[2]	Assuming an Offer Price of HK$77.70 per H Share (being the maximum Offer Price)							
			Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	*Approximate % of the issued share capital[3]*	*Approximate % of the Offer Shares*	*Approximate % of the issued share capital[3]*	*Approximate % of the Offer Shares*	*Approximate % of the issued share capital[3]*	*Approximate % of the Offer Shares*	*Approximate % of the issued share capital[3]*
JPMAMAPL	68.00	6,858,800	11.71%	0.64%	10.19%	0.63%	10.19%	0.63%	8.86%	0.63%
UBS AM Singapore	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
Shanghai Gaoyi and CICC FT (in connection with Gaoyi OTC Swaps)	12.20	1,230,500	2.10%	0.11%	1.83%	0.11%	1.83%	0.11%	1.59%	0.11%
Perseverance Asset Management	7.80	786,700	1.34%	0.07%	1.17%	0.07%	1.17%	0.07%	1.02%	0.07%
Cloud Map	20.00	2,017,300	3.45%	0.19%	3.00%	0.19%	3.00%	0.19%	2.61%	0.18%
Taikang Life	20.00	2,017,300	3.45%	0.19%	3.00%	0.19%	3.00%	0.19%	2.61%	0.18%
3W Fund	15.00	1,512,900	2.58%	0.14%	2.25%	0.14%	2.25%	0.14%	1.95%	0.14%
New China Asset Management	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
Everbright Wealth	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
IvyRock	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
Aurora SF (in connection with the Arrangement)	25.00	2,521,600	4.31%	0.23%	3.75%	0.23%	3.75%	0.23%	3.26%	0.23%
KIL	25.00	2,521,600	4.31%	0.23%	3.75%	0.23%	3.75%	0.23%	3.26%	0.23%
OmniVision HK	15.00	1,512,900	2.58%	0.14%	2.25%	0.14%	2.25%	0.14%	1.95%	0.14%
Green Better	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
Hongxing International	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
Ingenic Semiconductor HK	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
Awinic Technology Limited	10.00	1,008,600	1.72%	0.09%	1.50%	0.09%	1.50%	0.09%	1.30%	0.09%
JinYi Capital (acting for and on behalf of Structured Credit SP Fund)	2.00	201,700	0.34%	0.02%	0.30%	0.02%	0.30%	0.02%	0.26%	0.02%

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus;

(2) Subject to rounding down to the nearest whole board lot of 100 Offer Shares. Calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Currency Translations";

(3) The calculation of the percentage includes 215,947 A shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

JPMAMAPL

JPMorgan Asset Management (Asia Pacific) Limited ("**JPMAMAPL**"), a company incorporated in Hong Kong in November 1974, has entered into a cornerstone investment agreement with the Company and the Joint Sponsors, in its capacity as the investment advisor or investment manager for and on behalf of the following fund(s):

(i) JPMorgan Funds-China A-Share Opportunities Fund

(ii) JPMorgan Funds – China Fund

(iii) JPMorgan Asia Equity Dividend Fund

(iv) JPMorgan Asia Equity High Income

(v) JPMorgan China Pioneer A-Share Fund

(vi) JPMorgan Funds – Asia Pacific Income Fund

(vii) JPMorgan China Growth and Income PLC

(viii) certain other pooled funds, segregated accounts and mandates.

To the best of JPMAMAPL's knowledge, no single ultimate beneficial owner holds 30% or more interest in those funds.

JPMAMAPL is a wholly owned subsidiary of JPMorgan Asset Management (Asia) Inc., an investment management company, which is ultimately wholly owned by JPMorgan Chase & Co. ("**JPMC**"), which is a company organized under United States, Delaware law as a corporation that has issued shares of common stock to investors. JPMC's shares are listed on the New York Stock Exchange (stock code: JPM).

JPMAMAPL is licensed by the SFC.

UBS AM Singapore

UBS Asset Management (Singapore) Ltd. ("**UBS AM Singapore**"), a company incorporated in Singapore in December 1993, has entered into a cornerstone investment agreement with the Company and the Joint Sponsors, in its capacity as the investment manager for and on behalf of the following funds: (i) UBS (Lux) Equity Fund – Greater China (USD); (ii) UBS (Lux) Equity Fund – China Opportunity (USD); (iii) UBS (HK) Fund Series – China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV – All China (USD); (v) UBS (CAY) China A Opportunity; and (vi) Eskom Pension and Provident Fund. To the best of UBS AM Singapore's knowledge, no single ultimate beneficial owner holds 30% or more interest in those funds.

UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organised under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG's shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS).

Shanghai Gaoyi and CICC Financial Trading Limited (in connection with Gaoyi OTC Swaps)

CICC Financial Trading Limited ("**CICC FT**") is an indirect wholly owned subsidiary of China International Capital Corporation Limited (中國國際金融股份有限公司), of which its shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908).

CICC FT and China International Capital Corporation Limited ("**CICCL**") will enter into a series of cross border delta-one OTC equity swap transactions (collectively, the "**Gaoyi OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Gaoyi)**"), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Gaoyi OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Gaoyi), subject to customary fees and commissions. The Gaoyi OTC Swaps will be fully funded by the CICC FT Ultimate Clients (Gaoyi). During the terms of the Gaoyi OTC Swaps, all economic returns of the Offer Shares subscribed by CICC FT will be passed to the CICC FT Ultimate Clients (Gaoyi) and all economic losses shall be borne by the CICC FT Ultimate Clients (Gaoyi) through the Gaoyi 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 Gaoyi OTC Swaps are linked to performance of the Offer Shares and the CICC FT Ultimate Clients (Gaoyi) 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 Gaoyi OTC Swaps at their own discretions, upon which CICC FT may dispose of the Offer Shares and settle the Gaoyi OTC Swaps in cash in accordance with the terms and conditions of the Gaoyi 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 Gaoyi 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 (Gaoyi) 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, and no single ultimate beneficial owner holds 30% or more interests in each of the CICC FT Ultimate Clients (Gaoyi).

The CICC FT Ultimate Clients (Gaoyi) are investment funds managed by Shanghai Gaoyi Asset Management Partnership (Limited Partnership) (上海高毅資產管理合夥企業(有限合夥)) ("**Shanghai Gaoyi**"). Shanghai Gaoyi is a limited partnership established in the PRC, which is engaged in asset management and investment management with a primary focus on investments in secondary market. Certain investment funds managed by Shanghai Gaoyi entered into delta-one OTC swap transactions in connection with the cornerstone investment in Zijin Gold International Company Limited (紫金黃金國際有限公司) (stock code: 2259.HK), Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司) (stock code: 9887.HK) and Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司) (stock code: 3750.HK) and bear all economic return and loss. Shanghai Gaoyi holds the Qualification of Private Investment Fund Manager (私募投資基金管理人資格) accredited by the Asset Management Association of China (中國證券投資基金業協會). The managing partner of Shanghai Gaoyi is Shanghai Gaoyi Investment Management Co., Ltd. (上海高毅投資管理有限公司) ("**Gaoyi Investment**"). As confirmed by Shanghai Gaoyi, there is no single ultimate beneficial owner holding 30% or more interests in the CICC FT Ultimate Clients (Gaoyi). Each of Shanghai Gaoyi and the CICC FT Ultimate Clients (Gaoyi) is an Independent Third Party.

Perseverance Asset Management

Perseverance Asset Management International (Singapore) Pte. Ltd. ("**Perseverance Asset Management**") acts as the investment advisor or investment manager on a discretionary basis of no more than six investment funds and/or separated managed accounts (collectively the "**Perseverance Funds**"). No single ultimate beneficial owner holds 30% or more interest in each of the Perseverance Funds. Each of the Perseverance Funds is an Independent Third Party. Perseverance Asset Management is a private limited company incorporated in Singapore in October 2018, and holds a Capital Markets Services License for fund management with Monetary Authority of Singapore. Perseverance Asset Management is wholly owned by Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services and an Independent Third Party. Certain investments funds for which Perseverance Asset Management acts as the investment advisor or investment manager invested in ZIJIN GOLD INTERNATIONAL COMPANY LIMITED (紫金黃金國際有限公司) (stock code: 2259.HK), Contemporary Amperex Technology Co. Limited (寧德時代新能源科技股份有限公司) (stock code: 3750.HK) and Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司) (stock code: 6669.HK) as cornerstone investor. Perseverance Asset Management is an affiliate of Shanghai Gaoyi (as defined above). Perseverance Asset Management is entering into the cornerstone investment agreement with the Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

Cloud Map Holdings Limited

Cloud Map Holdings Limited ("**Cloud Map**"), a limited liability company incorporated under the laws of the British Virgin Islands, is principally engaged in investment holding. Cloud Map is managed by Orchid Asia V Group Management, Limited ("**Orchid Asia**"). No single ultimate beneficial owner holds 30% or more interest in Cloud Map. Orchid Asia is wholly-owned by Orchid Asia V Group, Limited, which is in turn wholly-owned by Ms. Lam Lai Ming, and is controlled by Mr. Li Gabriel by virtue of his directorship therein. Orchid Asia is a private equity group with an investment focus on the PRC and Asia. Mr. Li Gabriel is the managing partner and an investment committee member of Orchid Asia Group Management, Limited. He is currently also a director of Trip.com Group Limited (stock code: TCOM.NQ). Ms. Lam Lai Ming is the spouse of Mr. Li Gabriel.

Taikang Life

Taikang Life Insurance Co., Ltd. (泰康人壽保險有限責任公司) ("**Taikang Life**"), a company incorporated in China, is a wholly owned subsidiary of Taikang Insurance Group Inc. (泰康保險集團股份有限公司). There is no shareholder holding 30% or more in Taikang Insurance Group Inc. Taikang Life provides a full range of personal security and investment and wealth management products and services for individuals and families. The products on offer correspond to the different requirements of customers in terms of market segments such as the children and teenagers, females and high-income population groups. They also meet multidimensional demands regarding health care and accident cover, pensions and wealth management, among others. Taikang Insurance Group Inc. is an insurance and financial service conglomerate focused on insurance, asset management and health and elderly care as main businesses. The Beijing-headquartered company consists of several subsidiaries including Taikang Life, Taikang AMC, Taikang Pension, Taikang Healthcare, Taikang Health, and TK.CN. Its product offering covers life insurance, internet-based financial insurance, enterprise annuity, asset management, health and elderly care, health management and commercial real estate, among others.

3W Fund

3W Fund Management Limited ("**3W Fund**") is incorporated in Hong Kong with limited liability and licensed by SFC to carry out Type 9 (asset management) regulated activity. 3W Fund is wholly owned by Mr. Weiwei Wu, an Independent Third Party. 3W Fund has agreed to procure 3W Global Fund and 3W Rivus Fund, over which 3W Fund has discretionary investment management power, to subscribe for such number of the Offer Shares. 3W Global Fund and 3W Rivus Fund pursue to maximise absolute return and seek long-term capital growth primarily through fundamental investment principle with value approach. To the best of 3W Fund's knowledge, no single investor holds 30% or more interests in 3W Global Fund or 3W Rivus Fund.

New China Asset Management

New China Asset Management (Hong Kong) Limited ("**New China Asset Management**") (新華資產管理(香港)有限公司), in its capacity as investment manager acting as agent on behalf of its discretionary account, New China Life Traditional Insurance Account, the ultimate beneficial owner being New China Life Insurance Company Ltd. (新華人壽保險股份有限公司), has agreed to subscribe for the H Shares of the Company. New China Asset Management was incorporated in Hong Kong with limited liability. New China Asset Management is licensed with the SFC to carry on business in Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571). New China Asset Management focuses on investments in equity securities, fixed income securities, as well as in a wide range of underlying investment funds. New China Asset Management is held as to 99.6% by New China Life Insurance Company Ltd. (新華人壽保險股份有限公司), a company dually listed on the Stock Exchange (stock code: 1336) and the Shanghai Stock Exchange (stock code: 601336).

Everbright Wealth

Everbright Wealth Management Co., Ltd. (光大理財有限責任公司) ("**Everbright Wealth**"), a wholly-owned subsidiary of China Everbright Bank Company Limited (中國光大銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601818) and the Stock Exchange (stock code: 6818). Everbright Wealth was established in September 2019 with a registered capital of RMB5 billion. The principal business of Everbright Wealth includes publicly offering wealth management products to the general public, investing and managing the entrusted assets of investors, privately offering wealth management products to qualified investors, investing and managing the entrusted assets of investors, providing wealth management advisory and consulting services, and other businesses as approved by the China Banking and Insurance Regulatory Commission (the validity period of the financial license shall be subject to the license) (projects that are subject to approval in accordance with the law may only be carried out after obtaining approval from the relevant authorities).

Everbright Wealth's investment into the Company would be made and completed through QDII program in the PRC, of which it has engaged GF Securities Asset Management (Guangdong) Co., Ltd. (廣發証券資產管理(廣東)有限公司) ("**GF Asset Management**"). GF Asset Management is an asset management company established in the PRC in 2014. It is a wholly-owned subsidiary of GF Securities Co., Ltd., a company which is engaged in the securities business, and listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776).

IvyRock

IvyRock Asset Management (HK) Limited (常春藤資產管理(香港)有限公司) ("**IvyRock**") is incorporated in Hong Kong with limited liability and licensed by the SFC to carry on Type 9 (asset management) regulated activity. The firm is ultimately majority owned by Mr. Yong HUANG.

IvyRock is a discretionary investment manager of certain commingled funds and institutional separate managed accounts (together, the "**IvyRock Funds**"). IvyRock subscribes for the Offer Shares through Ivyrock China Focus Master Fund, IvyRock China Equity Master Fund and ABS Direct Equity Fund LLC, Asia Series 6. None of the investors of Ivyrock China Focus Master Fund and ABS Direct Equity Fund LLC, Asia Series 6 holds 30% or more equity interest therein. The only investor which holds 30% or more equity interest in IvyRock China Equity Master Fund is Ivy Pacific GX Limited, which is owned by Mr. QI Xiuguo, an Independent Third Party.

Aurora SF (in connection with the Arrangement)

Aurora SF will hold the Offer Shares in connection with an arrangement (collectively, the "**Arrangement**"), whereby Oversea-Chinese Banking Corporation Limited ("**OCBC Singapore**") has subscribed for the entire participating interest in the shares of the class of Aurora SF, OCBC Singapore and OCBC Bank Limited ("**OCBC China**") enter into a series of cross-border total return swaps (collectively, the "**OCBC Swaps**") with an ultimate client (the "**Aurora SF Ultimate Client**") and Aurora SF Ultimate Client invest in structured deposit products issued by OCBC China. Pursuant to the terms and conditions under the Arrangement, Aurora SF will hold the legal title to the Offer Shares on a non-discretionary basis to hedge the OCBC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the Aurora SF Ultimate Client, subject to customary fees and commissions. The Arrangement will be fully funded by the Aurora SF Ultimate Client. Under the Arrangement, the Aurora SF Ultimate Client bear the full economic return and loss of Aurora SF. Concurrently, OCBC China entered into total return swaps with OCBC Singapore whereby OCBC China receives the full economic return and loss of the Aurora SF. OCBC Singapore then subscribed for the participating shares of Aurora SF. All economic returns of the Offer Shares subscribed by Aurora SF will be passed to the Aurora SF Ultimate Client and all economic loss shall be borne by the Aurora SF Ultimate Client through the Arrangement, and Aurora SF will not take part in any economic return or bear any economic loss in relation to the Offer Shares. Notwithstanding that Aurora SF will hold the legal title of the Offer Shares, the decision to exercise the voting rights of the Offer Shares will be determined by an investment committee comprising of the investment manager and the representatives of the Aurora SF Ultimate Client. To the best of Aurora SF's knowledge having made all reasonable inquiries, the Aurora SF Ultimate Client is an independent third party of Aurora SF.

Aurora SF is a Singapore variable capital company and a sub-fund of EasternGate Investments VCC, the director of which is Chin Kah Siong Peter, an Independent Third Party. The investment manager of EasternGate Investments VCC is Fairshore Asset Management Company Pte. Ltd. ("**Fairshore**"). Aurora SF is subject to the overall supervision of Chin Kah Siong Peter, which has delegated the day-to-day management of Aurora SF to Fairshore. Fairshore is a private limited company incorporated under the laws of Singapore in September 2014, which holds a Capital Market Services License issued by the Monetary Authority of Singapore and is licensed under the Securities and Futures Act 2001 of Singapore to conduct the regulated activity of fund management. Fairshore is indirectly held by Gary Wee and Adam Bauer as to 60% and 40%, respectively, both of whom are Independent Third Parties. Fairshore manages multiple funds across a diverse range of strategies and industry sectors, with assets under management exceeding Singapore dollars 2.0 billion as of December 31, 2024. The investment objective of Aurora SF is to target investment opportunities through direct or indirect investments in a diversified portfolio of fixed income, equity and externally managed funds with rebalancing allowed by Fairshore within the stipulated guidelines from time to time.

The Aurora SF Ultimate Client is Nexchip Semiconductor Corporation (合肥晶合集成電路股份有限公司)("**Nexchip**"), which is an Independent Third Party. Nexchip is an A-share listed company on the STAR Market of the Shanghai Stock Exchange (stock code: 688249) and a leading pure-play 12-inch foundry, providing end-to-end wafer fabrication services covering technology nodes from 150nm to 40nm, the actual controller of which is the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government. As of the Latest Practicable Date, the Company held an aggregate of 120,368,109 A shares of Nexchip, representing approximately 6% of Nexchip's issued share capital. As confirmed by the Company, the investments from Aurora SF (in connection with the Arrangement) as a Cornerstone Investor and the Company's holding of Nexchip's A share are not inter-conditional, and there are no side arrangements or agreements between the Company and Nexchip. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Company's confirmation that the investments from Aurora SF (in connection with the Arrangement) as a Cornerstone Investor and the Company's holding of Nexchip's A share are not inter-conditional, and there are no side arrangements or agreements between the Company and Nexchip.

As advised by our PRC Legal Advisors, the aforementioned transaction structure concerning the Arrangement does not violate the PRC laws and regulations.

KIL

Kingboard Investments Limited (建滔投資有限公司) ("**KIL**"), a company incorporated in Hong Kong, is a subsidiary of Kingboard Holdings Limited (建滔集團有限公司) ("**KHL**"). KHL is an industrial conglomerate listed on the Main Board of the Stock Exchange (stock code: 0148) since 1993, with principal activities of its subsidiaries in the manufacture and sales of laminates, printed circuit boards, chemicals, PVB, magnetic products, property investment and development, as well as other investment business. With a vertically integrated business model, KHL is the world's largest copper clad laminate manufacturer by revenue for the past 20 years (2005-2024), according to Prismark, as well as the world's second largest electronic-grade fiberglass yarn and fiberglass fabric producer by capacity.

OmniVision HK

WILL Semiconductor Limited (韋爾半導體香港有限公司) ("**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. (豪威集成電路(集團)股份有限公司) ("**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 provider 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 Company subscribed for the H Shares of OmniVision as its cornerstone investor, see "Waivers and Exemptions — Waiver in relation to Post — Track Record Period Acquisition — Minority Investments after December 31, 2025" for further details. As confirmed by the Company, the investments from OmniVision HK as a Cornerstone Investor and the investment of minority interest by Huaqin Telecom Hong Kong Limited ("**Huaqin Telecom**"), our wholly-owned subsidiary, in OmniVision as a cornerstone investor are not inter-conditional, and there are no side arrangements or agreements between the Company and OmniVision. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Company's confirmation that the investments from OmniVision HK as a Cornerstone Investor and the investment of minority interest by Huaqin Telecom in OmniVision as a cornerstone investor are not inter-conditional, and there are no side arrangements or agreements between the Company and OmniVision. OmniVision was a supplier of our Group during the Track Record Period.

Green Better

Green Better Limited ("**Green Better**") is an investment company incorporated in the British Virgin Islands. Green Better is a wholly-owned subsidiary of Xiaomi Corporation, a company listed on the Stock Exchange (stock code: 1810). Xiaomi Corporation is an investment holding company principally engaged in the research, development and sales of smartphones, Internet of things and lifestyle products, the provision of Internet services, the research, development, manufacturing and sales of smart electric vehicles, and investment business in China and other countries or regions.

Xiaomi Corporation was a customer of our Group during the Track Record Period.

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) ("**Victory Giant**"), a company established under the laws of PRC, and the A Shares of which are listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300476).

The Company subscribed for the H Shares of Victory Giant as its cornerstone investor, see "Waivers and Exemptions — Waiver in relation to Post — Track Record Period Acquisition — Minority Investments after December 31, 2025" for further details. As confirmed by the Company, the investments from Hongxing International as a Cornerstone Investor and the investment of minority interest by HQ TELECOM SINGAPORE PTE. LTD. ("**Huaqin Singapore**"), our wholly-owned subsidiary, in Victory Giant as a cornerstone investor are not inter-conditional, and there are no side arrangements or agreements between the Company and Victory Giant. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Company's confirmation that the investments from Hongxing International as a Cornerstone Investor and the investment of minority interest by Huaqin Singapore in Victory Giant as a cornerstone investor are not inter-conditional, and there are no side arrangements or agreements between the Company and Victory Giant. Victory Giant was a supplier of our Group during the Track Record Period.

Ingenic Semiconductor HK

Ingenic Semiconductor (HongKong) Group Limited (北京君正集成電路(香港)集團有限公司) ("**Ingenic Semiconductor HK**") was incorporated in Hong Kong in August 2006 and is a wholly-owned subsidiary of Ingenic Semiconductor Co., Ltd. (北京君正集成電路股份有限公司), a company listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300223) ("**Ingenic**") since May 2011. Ingenic is a globally leading provider of memory chips, computing chips, and analog chips, specializing in the research and development, design, and sales of high-reliability memory chips, high-performance low-power computing chips, and a diverse range of analog chips. Its products are widely used in automotive electronics, industrial and medical applications, AIoT, and intelligent security sectors.

Awinic Technology Limited

Awinic Technology Limited(艾唯技術有限公司) is a wholly-owned subsidiary established in Hong Kong by Shanghai Awinic Technology Co., Ltd. (上海艾為電子技術股份有限公司), a company listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688798) ("**Awinic**"). Awinic, as a leading Chinese company in mixed-signal IC industry, specializes in the design of high-performance mixed-signal, power management, and signal chain integrated circuits. Awinic offers nearly 2,000 product models across over 40 product categories, with product performance and quality ranking among the industry's top tiers. Awinic's products are widely used in consumer electronics, industrial connectivity, and automotive markets, including smartphones, tablets, laptops, smart wearables, smart speakers, smart home appliances, mobile payment devices, Internet of Things (IoT), AI education, smart toys, servers, new energy, robotics, drones, security, automotive electronics, etc.

Awinic was a supplier of our Group during the Track Record Period.

JinYi Capital (acting for and on behalf of Structured Credit SP Fund)

JinYi Capital Multi-Strategy Fund SPC Ltd. ("**JinYi Capital**") is a segregated portfolio company incorporated under the Companies Act of the Cayman Islands and is an exempted company with limited liability incorporated in the Cayman Islands. JinYi (Tianjin) Asset Management Co., Ltd. (進益(天津)資產管理有限責任公司) is the investment manager of JinYi Capital and is ultimately controlled by Fan Xiang (范響). Save for Fan Xiang, an Independent Third

Party, there is no other ultimate beneficial owner holding 30% or more interest in JinYi Capital. The funding of JinYi Capital Multi-Strategy Fund SPC Ltd. – Structured Credit SP Fund, which is participating in the Global Offering, is from Tsinghua University Education Foundation (清華大學教育基金會).

Tsinghua University Education Foundation was established in 1994 and is a national non-public fundraising foundation registered with and approved by the Ministry of Civil Affairs of the PRC, with the Ministry of Education of the PRC as its supervising authority. Tsinghua University Education Foundation was initiated by Tsinghua University, with its funding principally from social donations. Pursuant to the Interim Measures for the Administration of Preservation and Appreciation of Assets of Charitable Organizations (《慈善組織保值增值投資活動管理暫行辦法》) and other applicable regulations, the foundation may invest in financial products that comply with the relevant requirements for the purpose of preserving and enhancing the value of its assets and supporting the development of educational and charitable causes.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor or each QDII (as applicable) to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(a) 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 these underwriting agreements, and neither of the aforesaid underwriting agreements having been terminated;

(b) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) 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;

(c) no Laws shall have been enacted or promulgated by any Governmental Authority which prohibits the consummation of the transactions contemplated in the Global Offering or herein and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(d) the agreements, representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investors under the respective Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Listing Date, the Closing (as defined in the respective Cornerstone Investment Agreement) and the Delayed Delivery Date (as defined in the respective Cornerstone Investment Agreement), as applicable) accurate, true and complete in all respects and not misleading or deceptive and that there is no material breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (both days inclusive) (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.

FUTURE PLANS

Please see "Business — Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

Assuming that the Offer Size Adjustment and the Over-allotment Option are not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$77.70 per Offer Share, we estimate that we will receive net proceeds of approximately HK$4,463.1 million (equivalent to approximately RMB3.9 billion) from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

(i) approximately 40.0% (approximately HK$1,785.2 million), will be used for product-centric R&D investment to enhance our technological capabilities. Our R&D investment will focus on (i) advancing hardware and software development, product design and related technologies for our core businesses such as mobile terminals and digital infrastructure to enhance product competitiveness and improve user experience, as well as to expand our product offerings; (ii) pursuing early-stage research around critical technologies in fast-growing sectors, such as automotive electronics, robotics and software; and (iii) deepening fundamental research such as acoustics, optics, thermal management, and radio frequency. We will also continue to strengthen prospective academic research through X-Lab and drive innovation in architecture, hardware design, and software development. The purchase of advanced experimental materials and equipment is expected to incur capital expenditures of approximately RMB200.5 million, RMB216.6 million and RMB250.6 million in 2026, 2027 and 2028, respectively. To the extent that the total capital expenditure required for any expansion plan exceeds the amount of net proceeds allocated, the shortfall is expected to be funded by our own cash resources, and/or external financing. Details of the allocations are as follows:

(A) approximately 35.0% (approximately HK$1,562.1 million) will be used to strengthen and expand our R&D team through continuous talent cultivation and recruitment. We will offer competitive compensation packages and optimize our incentive mechanisms to enrich our international talent pool. Specifically, we plan to recruit over 5,000 R&D talent by 2028, including approximately 1,600 in 2026, approximately 1,800 in 2027 and approximately 2,000 in 2028. All of these R&D personnel will be based in Chinese Mainland. Majority of our R&D talent will be hired through campus recruitment, and annual salary for these candidates will range from RMB150 thousand to RMB300 thousand. For the R&D talents that will be hired through external recruitment, their annual salary will depend on assessment of market conditions and individual experience. Recruitment will focus on talents with expertise in optics, thermal management, driving systems, power efficiency, radio frequency, component engineering, as well as simulation and testing, across functions of product design, R&D, performance evaluation, and process optimization. Candidates are generally expected to have relevant experience and strong technical skills;

(B) approximately 5.0% (approximately HK$223.2 million) will be used to purchase advanced experimental materials and equipment to support our entire R&D process spanning across preliminary research, development, verification, and testing and to ensure necessary resources for our team to drive innovation efficiently and maintain technological flexibility in a rapidly evolving industry. Procuring such advanced materials and equipment will provide our R&D team with the tools and resources required to conduct comprehensive experiments, validate new product concepts rigorously, and explore emerging technologies. This investment enables us to prototype and test innovative solutions efficiently, adapt to evolving technical demands, and maintain technological flexibility in a rapidly evolving industry. By ensuring our R&D team has access to the necessary resources, such as testing apparatus and experimental materials, we can drive our product innovation, improve product reliability, and accelerate our response to shifting market trends.

(ii) approximately 35.0% (approximately HK$1,562.1 million) will be used to expand and optimize our manufacturing network. We will optimize and expand our manufacturing capacity, further strengthen localized manufacturing capabilities, and enhance delivery efficiency, which will enable us to address the growing demands of our diverse global customer base more effectively. The expansion is expected to incur capital expenditures of approximately RMB2.5 billion, RMB2.5 billion and RMB2.1 billion in 2026, 2027 and 2028, respectively. To the extent that the total capital expenditure required for any expansion plan exceeds the amount of net proceeds allocated, the shortfall is expected to be funded by our own cash resources, and/or external financing. Details of the allocations are as follows:

(A) approximately 25.0% (approximately HK$1,115.8 million) will be used to expand our manufacturing network. Specifically,

- approximately 20.0% (approximately HK$892.6 million) will be used to expand our overall manufacturing capacity. This will include constructing and commissioning new production lines at our manufacturing centers. Our manufacturing capacity expansion plan is constructed through diligent evaluation of customer order pipelines as well as external market demand. According to CIC, the accelerated adoption and integration of advanced technologies is expected to drive sustained demand growth across consumer electronics, digital infrastructure, and AIoT product categories from 2025 to 2030. See "Industry Overview." We also carefully take into account our customer order pipeline estimated by assumptions on new customer acquisition, geographic diversification, and sales network expansion.

  The following table summarizes details of our planned production line expansion.

Business Segment	**Number of New Production Lines**	**Location**	**Estimated Production Capacity by 2028**
			(million units)
Mobile Terminals	60	Nanchang Manufacturing Center, Dongguan Manufacturing Center	432
Computing and Data Centre	14		58
AIoT	64		103
Innovative Business . .	14		36

- approximately 5.0% (approximately HK$223.2 million) will be used to enhance manufacturing capacity and efficiency at existing manufacturing facilities. We plan to upgrade production equipment and optimize aging production lines. Specifically, these upgrades may include replacing outdated machinery, improving quality control processes, increasing environmental efficiency, and implementing advanced data analytics platforms to optimize workflow and minimize downtime.

(B) approximately 10.0% (approximately HK$446.3 million) will be used to further promote automation and digitalization as well as sustainability initiatives. We will further upgrade our intelligent manufacturing process by deploying more automated equipment across production lines and accelerating the rollout of "lights-out factories" to increase production line automation and improve overall production efficiency. In addition, we plan to apply advanced technologies such as artificial intelligence to further empower our operations across supply chain, manufacturing, quality control and management, and enhance our data insight capabilities. We will also adopt more renewable energies, promote green product design and production processes, and further commit to low carbon and environmental protection practices.

(iii) approximately 15.0% (approximately HK$669.5 million) will be used for strategic investment and vertical integration. We will pursue potential investment and acquisition opportunities worldwide that demonstrate synergies with our existing businesses or facilitate our strategic horizontal expansion into new sectors. We will continue to integrate vertically upstream in the supply chain to strengthen our intelligent manufacturing capabilities and enhance our core business competitiveness. We will also focus on high-growth emerging sectors to further broaden our business ecosystem. Specifically, the potential target may operate in sectors relevant to our main and innovative businesses, such as automotive electronics, software, and mechanical components. We will primarily focus on companies with proven commercial operations and clear technological or product differentiation. For automotive electronics, we intend to target companies focusing on powertrain-related applications with annual revenue of approximately RMB0.5 billion to RMB1.0 billion and indicative valuations of up to approximately RMB1.0 billion. For software, we intend to focus on software development companies with annual revenue of approximately RMB50.0 million to RMB0.5 billion and indicative valuations of approximately RMB100.0 million to RMB500.0 million. For mechanical components, we intend to target manufacturers of key mechanical components with annual revenue of approximately RMB0.3 billion to RMB1.0 billion and indicative valuations of approximately RMB100.0 million to RMB1.0 billion. We may initially take a minority and, where appropriate, options to increase our shareholding over time. According to CIC, as of December 31, 2025, there are sufficient available targets that meet our selection criteria in the market, with no fewer than 50 potential targets within our expected sectors, revenue ranges and valuation ranges. As of the Latest Practicable Date, no specific investment or acquisition targets have been identified.

(iv) approximately 10.0% (approximately HK$446.3 million) will be used for working capital and general corporate purposes.

The following table sets forth the details of our proposed allocation of net proceeds for our R&D investment, manufacturing network expansion and optimization, and strategic investment and vertical integration.

	2026 (Net proceeds allocated)	**2027 Onwards (Net proceeds allocated)**	**Total (Net proceeds allocated)**
		HK$ in millions	
R&D investment	714.1	1,071.1	1,785.2
Manufacturing network expansion and optimization	781.0	781.0	1,562.1
Strategic investment and vertical integration	200.8	468.6	669.5

The planned investments are closely aligned with our core business strategy and historical margin profile. We expect these investments to generate favorable economic returns and support our sustainable growth. We anticipate that our revenue growth and cost structure will benefit from our R&D investments as well as the expansion and enhancement of our manufacturing capabilities. Through potential investments and acquisitions, we also expect our revenue streams to become more diversified and our operational leverage to increase. Collectively, these developments will strengthen our resilience and enhance our long-term competitiveness. However, there will be a time lag before these initiatives ramp up and make a material contribution to our revenue and profit. As implementation progresses and the new investments scale up, we anticipate steady improvements in both profitability and overall business performance. In addition, we expect the proceeds from this Global Offering to strengthen our capital position.

As of the Latest Practicable Date, we had not identified any specific overseas investment projects to be funded by the net proceeds. In compliance with applicable PRC regulations, we may be required to obtain prior approval from, or complete registration with the SAFE or authorised banks before deploying the proceeds for any overseas investment. If we are unable to obtain the necessary approvals, our potential offshore capital expenditure plans may be affected. See "Risk Factors — Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends, deploy our proceeds from the Global Offering and other obligations, and may affect the value of your investment."

The additional net proceeds that we would receive if the Offer Size Adjustment Option and the Over-allotment Option were exercised in full would be approximately HK$778.4 million. We intent to apply the additional net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised 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
Merrill Lynch (Asia Pacific) Limited
Goldman Sachs (Asia) L.L.C.
CLSA Limited
ABCI Securities Company Limited
Futu Securities International (Hong Kong) Limited
Tiger Brokers (HK) Global 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 International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 5,854,900 Hong Kong Offer Shares and the International Offering of initially 52,693,300 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" as well as to the Over-allotment Option and the Offer Size Adjustment 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 (subject to reallocation) for subscription by the public in Hong Kong in accordance with the terms and conditions of 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 as mentioned in this prospectus (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option and the Offer Size Adjustment Option) on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set forth in the Hong Kong Underwriting Agreement (including the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Overall Coordinators and the Company agreeing upon the Offer Price) being satisfied (or, as the case may be, waived), the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable portions of the Hong Kong Offer Shares in aggregate, now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, 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

The Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Overall Coordinators 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 if at any time prior to 8:00 a.m. on the Listing Date:

(1) there develops, occurs, exists or comes into force:

(a) 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 and the United States or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a 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 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 the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments 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

(c) 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, labor disputes, 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

(d) 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 the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange or the NASDAQ Global Market; or

(e) the imposition or declaration of any general moratorium on 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

(f) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the 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

(g) the commencement by any Authority or other regulatory or political body or organization of any public action or investigation against a Group company or a director or a senior management member of any Group company or announcing an intention to take any such action; or

(h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group company or any of the members 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

(i) 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

(j) any non-compliance of the 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 or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(k) 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 or senior management members as named in the Prospectus; or

(l) any contravention by any Group company or any Director of the Listing Rules or applicable laws; or

(m) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in the Prospectus;

(n) any Director or any member of senior management of the Company named in the 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

(o) that the Chairman of the Board, any executive Director or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office;

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors, the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Overall Coordinators:

i. has or will have or is likely to have a material adverse effect, whether directly or indirectly; or

ii. has or will or is likely to 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

iii. makes or will make or is likely to 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 under the Hong Kong Underwriting Agreement); or

iv. has or will or is likely to have the effect of making any part of the Hong Kong Underwriting 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

(2) there has come to the notice of the Joint Sponsors, the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Overall Coordinators that:

(a) any statement contained in any of the Offering 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 Hong Kong Public Offering (including any supplement or amendment thereto (the "**Relevant Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading, except with respect to any Underwriter's information 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 respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Relevant Documents; or

(c) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(e) any breach of any of the obligations or undertakings imposed upon the Company or any cornerstone investor (as applicable) under the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the cornerstone investment agreements; or

(f) there is any change or development involving a prospective change, constituting or having a material adverse effect; or

(g) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Hong Kong Public Offering) or the Global Offering; or

(h) 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 and the Offer Size Adjustment 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

(i) any expert (other than any of the Joint Sponsors) has withdrawn its consent to the issue of the Prospectus 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

(j) 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

(k) an order or petition is presented for the winding-up or liquidation of the Company or a Major Subsidiary, or the Company or a Major Subsidiary 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 the Company or a Major Subsidiary or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Company or a Major Subsidiary or anything analogous thereto occurs in respect of the Company or a Major Subsidiary; or

(l) (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 Overall Coordinators, 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

(m) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) 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.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares, or securities convertible into Shares (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including the Over-allotment Option and the Offer Size Adjustment Option); or (b) under any of the circumstances provided under Rule 10.08 of 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, except pursuant to the Global Offering (including the Over-allotment Option and the Offer Size Adjustment Option), 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 shareholding 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**"), 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 in respect of which he/it is shown by this prospectus to be the beneficial owner (the "**Relevant Securities**"); 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 member of the Controlling Shareholders Group of the Company.

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 his/its shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will:

(i) when he/it pledges or charges any Relevant Securities or interests in any of the Relevant Securities, whether directly or indirectly, in favor of any 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 (2) to Rule 10.07 of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of Relevant Securities so pledged or charged; and

(ii) when he/it receives indications, either verbal or written, from the pledgee or chargee of any Relevant Securities that any of the pledged or charged securities of the Company 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 any member of 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

The Company has undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option and the Offer Size Adjustment 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 "**First Six**

Month Period"), the Company will not, without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Overall Coordinators and unless in compliance with the requirements of the Listing Rules:

(a) 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 or any other equity 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 or other equity securities of the Company, as applicable), or deposit any share capital or other equity securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) 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 equity 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 Shares); or

(c) enter into any transaction with the same economic effect as any transaction described in clause (a) or (b) above; or

(d) offer to or agree to do any of the foregoing specified in clause (a), (b) or (c) 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 or such other equity securities, in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six Month Period). The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in clause (a), (b) or (c) 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 First Six Month Period expires (the "**Second Six Month Period**"), the Company 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 equity securities of the Company.

Indemnity

The Company has agreed to indemnify, among the others, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including, amongst others, 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.

Hong Kong Underwriters' Interests in the Company

Except for their obligations under the Hong Kong Underwriting Agreement, the Hong Kong Underwriters do not have any shareholding interest in the Company or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in the Company or 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 H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that the Company will enter into the International Underwriting Agreement with, among others, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters would agree to purchase, or procure subscribers to purchase, the Offer Shares being offered pursuant to the International Offering (subject to, amongst others, any reallocation between the International Offering and the Hong Kong Public Offering). It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Over-allotment Option

The Company is expected to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) and the Overall Coordinators at their sole and absolute discretion, the Over-Allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require the Company to issue and allot, up to an aggregate of 8,782,200 H Shares, representing approximately 15.0% of the initial Offer Shares (assuming the Offer Size adjustment Option is not exercised at all), or up to an aggregate of 10,099,500 H Shares, representing approximately 15.0% of the Offer Shares (assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any.

Offer Size Adjustment Option

The Offer Size Adjustment Option is exercisable by the Company on or before the second Business Day prior to the Listing Date and will lapse immediately thereafter, whichever is earlier, pursuant to which the Company may allot and issue up to an aggregate of 8,782,200 additional Offer Shares, representing approximately 15.0% of the Offer Shares initially being offered under the Global Offering at the Offer Price to cover any excess demand in the International Offering. The Offer Size Adjustment Option provides flexibility to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand. Further details are set out in the section headed "Structure of the Global Offering — International Offering — Offer Size Adjustment Option" in this prospectus.

Commissions and Expenses

The Capital Market Intermediaries will receive an underwriting commission of 0.3% of the aggregate gross proceeds from the Global Offering (including any proceeds arising from exercise of the Over-allotment Option and the Offer Size Adjustment Option), out of which they will pay any sub-underwriting commissions and other fees. In addition, the Company may, at its sole and absolute discretion, pay any one or more of Capital Market Intermediaries an incentive fee of an aggregate of up to 0.5% of the gross proceeds from the Global Offering (including any proceeds arising from exercise of the Over-allotment Option and the Offer Size Adjustment Option).

Assuming the incentive fee is paid in full, the fixed fees and discretionary fees payable to the Capital Market Intermediaries represent 37.5% and 62.5% of the aggregate fees payable to the Capital Market Intermediaries in total in connection with the Global Offering. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the Company will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate underwriting commissions, incentive fee (if any), documentation fee, listing fees, Stock Exchange trading fee and transaction levies, legal and other professional fees, and printing and other expenses in relation to the Global Offering are estimated to amount to approximately HK$86.1 million in total (based on the Offer Price of HK$77.70 per Offer Share, being the maximum Offer Price stated in this prospectus and assuming full payment of discretionary fees and the Over-allotment Option and/or the Offer Size Adjustment Option are not exercised), and are payable by the Company.

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, 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 assets, securities and/or instruments of the Company 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, those activities 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, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed and 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. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares. All such activity 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 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 the section headed "Structure of the Global Offering" in this prospectus. 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 and other services to the Company and 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 Offer Shares in the Global Offering.

JOINT SPONSORS' INDEPENDENCE

The Joint Sponsors satisfied the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(1) the Hong Kong Public Offering of initially 5,854,900 H Shares (subject to reallocation) for subscription by the public in Hong Kong as described in the paragraph headed "— The Hong Kong Public Offering" below; and

(2) the International Offering of initially 52,693,300 H Shares (subject to reallocation, the Over-allotment Option and the Offer Size Adjustment Option) outside the United States (including with professional, institutional, corporate and other investors whom we anticipate may have a reasonable demand for the H Shares in Hong Kong) in offshore transactions in reliance on Regulation S, and in the United States only to QIBs in reliance on Rule 144A or other available exemption from registration under the U.S. Securities Act, as described in the paragraph headed "— The International Offering" below.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 5.45% of the enlarged issued share capital of the Company immediately after completion of the Global Offering without taking into account the exercise of the Offer Size Adjustment Option and the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 6.22% of the enlarged issued share capital of the Company (assuming the Offer Size Adjustment Option is not exercised at all) or approximately 7.08% of the enlarged issued share capital of the Company (assuming the Offer Size Adjustment Option is exercised in full) immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in "— The International Offering — Over-allotment Option" below.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described in "— The Hong Kong Public Offering — Reallocation" below.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares Initially Offered

The Company is initially offering 5,854,900 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of the Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 0.55% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised).

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, and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set forth in "— Conditions of the Global Offering" below.

Allocation

Allocation of the 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 would mean that some applicants may receive a higher allocation than the others who have applied for the same number of the 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 (with any odd lots being allocated to pool A): pool A and pool B. 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, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Offer Shares in Pool B will be allocated on an equitable basis to valid applicants who have applied for Offer Shares with an aggregate subscription price of more than HK$5 million and up to the total value of pool B (excluding the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable).

Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus 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 this subsection only, the "price" for the Hong Kong Offer Shares means the price payable on application therein (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of the Offer Shares from either Pool A or Pool B but not from both pools.

Multiple or suspected multiple applications and any application for more than 2,927,400 Hong Kong Offer Shares (being approximately 50% of the 5,854,900 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are 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 Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their 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 Overall Coordinators 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 they deem 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 Overall Coordinators in their sole discretion considers 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 2,927,300 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 8,782,200 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before exercise of the Over-allotment Option and the Offer Size Adjustment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

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 and the provision of Paragraph 4.2(b) of Practice Note 18 of 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.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Wednesday, April 22, 2026.

Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will also 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 have 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 Offer Shares under the International Offering, and such applicant's application under International Offering is liable to be rejected if the said undertaking and/or confirmation is 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 price of HK$77.70 per Offer Share in addition to the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed "— Pricing and Allocation" below, is less than the maximum price of HK$77.70 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of International Offer Shares Initially Offered

The International Offering will consist of an initial offering of 52,693,300 Offer Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering and approximately 4.90% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and assuming that the Over-allotment Option and the Offer Size Adjustment Option are not exercised.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which 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 paragraph 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 Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company and the Shareholders as a whole.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators 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 Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application 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 exercise of the Over-allotment Option and the Offer Size Adjustment 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

The Company is expected to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators at their sole and absolute discretion, the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require the Company to allot and issue, up to an aggregate of 8,782,200 Offer Shares, representing approximately 15.0% of the Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is not exercised) or up to an aggregate of 10,099,500 Offer Shares, representing approximately 15.0% of the Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price, to cover over-allocations in the International Offering, if any. If the Over-allotment Option and the Offer Size Adjustment Option are exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 0.92% of the total number of Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option and/or the Offer Size Adjustment Option are exercised, an announcement will be made.

Offer Size Adjustment Option

In order to provide flexibility to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, the Company has an Offer Size Adjustment Option, which is exercisable by the Company on or before the second business day prior to the Listing Date and will lapse immediately thereafter, pursuant to which the Company may allot and issue up to an aggregate of 8,782,200 additional Offer Shares (representing approximately 15.0% of the Offer Shares initially being offered under the Global Offering) at the Offer Price to cover any excess demand in the International Offering.

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.81% of our issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the full exercise of the Offer Size Adjustment Option.

In considering whether to exercise the Offer Size Adjustment Option, the Company and the Overall Coordinators will take into account a number of factors, including, among other things:

(i) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover:

  (a) the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional Offer Shares upon any exercise of the Offer Size Adjustment Option; and

  (b) the corresponding number of Shares under the Over-allotment Option;

(ii) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process;

(iii) the quality of investors, with a view to establishing a solid professional institutional and investor shareholder base to the benefit of the Company and its Shareholders as a whole; and

(iv) general market conditions.

The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option (the "Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the full exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the full exercise of the Offer Size Adjustment Option
58,548,200	5.45%	67,330,400	5.41%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, on a pro rata basis.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised by the Price Determination Date, it will lapse and cannot be exercised at any future date.

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 newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the 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, its affiliates 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, to the extent permitted by applicable laws of Hong Kong or elsewhere. However, there is no obligation on the Stabilizing Manager, its affiliates or any persons acting for it, to conduct any such stabilizing action. Such stabilization 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 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 of the last day for lodging applications under the Hong Kong Public Offering.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended, includes (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) 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, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) 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, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in paragraph (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, its affiliates 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 regarding the extent to which and the time or period for which the Stabilizing Manager, its affiliates or any person acting for it, will maintain such a long position;

- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it 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 stabilizing period which will begin on the Listing Date, and is expected to expire on Wednesday, May 20, 2026, being the 30th day after the date of closing of the application lists 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 may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 8,782,200 H Shares (representing approximately 15.0% of the initial Offer Shares assuming the Offer Size Adjustment Option is not exercised), or up to an aggregate of 10,099,500 H Shares (representing approximately 15.0% of the Offer Shares assuming the Offer Size Adjustment Option is exercised in full) through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) 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 Overall Coordinators, their affiliates or any person acting for them may cover such over-allocation by using H Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or by a combination of these means. Any such purchases will be made in accordance with the laws, rules and regulations in place in Hong Kong on stabilization. The number of H Shares which can be over-allocated will not exceed the number of the H Shares which may be allotted and/or issued pursuant to the exercise in full of the Over-allotment Option.

PRICING AND ALLOCATION

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 Offer Price is expected to be fixed by agreement between the Company and the Overall Coordinators on the Price Determination Date, which is expected to be on Tuesday, April 21, 2026 and in any event no later than 12:00 noon on Tuesday, April 21, 2026.

We will determine the Offer Price by reference to, among other factors, the closing prices of the A Shares on the Shanghai Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at https://www.sse.com.cn/assortment/stock/list/info/company/index.shtml?COMPANY_CODE=603296), and the Offer Price will not be more than HK$77.70. The historical prices of our A Shares and trading volume on Shanghai Stock Exchange are set out below.

Period	High	Low	ADTV[1]
	(RMB)	*(RMB)*	*(A shares)*
Year ended December 31, 2023[2]	83.18	67.91	3,198,639
Year ended December 31, 2024	85.60	43.24	4,852,165
Year ended December 31, 2025	107.80	58.66	12,423,760
Year of 2026 (up to the Latest Practicable Date)	97.67	80.13	11,704,109

Note:

(1) Average daily trading volume ("**ADTV**") represents daily average number of our A Shares traded over the relevant period rounded to the nearest share.

(2) Calculated since the Company's listing on the Shanghai Stock Exchange on August 8, 2023.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Overall Coordinators may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the Company's consent, reduce the number of Offer Shares and/or the maximum Offer Price below 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 a 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, cause to be published on the websites of the Company and the Stock Exchange at **https://www.huaqin.com/** and **www.hkexnews.hk**, respectively, an announcement, cancel the offer and relaunch the offer at the revised number of Offer Shares and/or the revised maximum Offer Price and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new prospectus (as appropriate)), and complete the requisite associated settlement processes on the FINI platform afresh. The Global Offering must first be canceled and subsequently relaunched on the FINI platform pursuant to the supplemental or new prospectus.

In the absence of any such announcement or supplemental or new prospectus, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators and the Company, will under no circumstances be set above the maximum Offer Price as stated in this 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 being offered under the Global Offering and/or the maximum Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

In the event of a reduction in the number of Offer Shares, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering.

The final Offer Price, 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 the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

The Company expects that it will enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

The underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares will be conditional on:

(1) the Listing Committee granting the approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option and the Offer Size Adjustment Option) as mentioned herein on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

(2) the Offer Price having been duly determined between the Company and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Overall Coordinators;

(3) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(4) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting 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).

If, for any reason, the Offer Price is not agreed between the Company and the Overall Coordinators by 12:00 noon on Tuesday, April 21, 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 times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. The Company will as soon as possible publish or cause to be published a notice of the lapse of the Hong Kong Public Offering on the website of the Company (**https://www.huaqin.com/**) and the website of the Stock Exchange (**www.hkexnews.hk**). In such eventuality, all application monies will be returned, without interest, on the terms set forth in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus. 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), as amended.

H Share certificates issued in respect of the Hong Kong Offer Shares 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 (including the Underwriting Agreements not having been terminated in accordance with their terms) at any time prior to 8:00 a.m. on the Listing Date.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The Company has applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including H Shares which may be issued pursuant to the exercise of the Over-allotment Option and the Offer Size Adjustment Option) as mentioned herein.

Save as disclosed in the prospectus, no part of the Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and 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 Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the 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.

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, April 23, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, April 23, 2026.

The H Shares will be traded on the Main Board of the Stock Exchange in board lots of 100 H Shares each. The stock code of the H Shares will be 3296.

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 https://www.huaqin.com/.

To apply for the Hong Kong Offer Shares, you may: (1) apply online via the **HK eIPO White Form** service at **www.hkeipo.hk**; or (2) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instructions.

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: (a) are 18 years of age or older; and (b) have a Hong Kong address *(for the **HK eIPO White Form** service only)*.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for: (a) are an existing beneficial owner of any Shares in the Company and/or any of its subsidiaries; (b) are a Director or chief executive officer of the Company and/or any of its subsidiaries; (c) are a close associate (as defined in the Listing Rules) of any of the above; (d) a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; or (e) have been allocated or have applied for 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 Wednesday, April 15, 2026 and end at 12:00 noon on Monday, April 20, 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 Wednesday, April 15, 2026, to 11:30 a.m. on Monday, April 20, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Monday, April 20, 2026 Hong Kong time.

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) 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

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. Hong Kong identity card ("**HKID**"); or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. Legal entity identifier ("**LEI**") registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - 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, a LEI number must be used if an entity has a 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: (i) control the composition of the board of directors of the company; (ii) control more than half of the voting power of the company; or (iii) 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 Overall Coordinators, as the Company's agents, 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$77.70 per Offer 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, brokerage, 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 Offer 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	7,848.36	2,500	196,209.01	30,000	2,354,508.14	600,000	47,090,162.70
200	15,696.72	3,000	235,450.81	40,000	3,139,344.18	700,000	54,938,523.16
300	23,545.08	3,500	274,692.62	50,000	3,924,180.23	800,000	62,786,883.60
400	31,393.45	4,000	313,934.42	60,000	4,709,016.26	900,000	70,635,244.06
500	39,241.81	4,500	353,176.22	70,000	5,493,852.31	1,000,000	78,483,604.50
600	47,090.16	5,000	392,418.02	80,000	6,278,688.35	1,500,000	117,725,406.76
700	54,938.52	6,000	470,901.63	90,000	7,063,524.40	2,000,000	156,967,209.00
800	62,786.88	7,000	549,385.24	100,000	7,848,360.46	2,500,000	196,209,011.26
900	70,635.24	8,000	627,868.83	200,000	15,696,720.90	2,927,400[(1)]	229,752,903.81
1,000	78,483.61	9,000	706,352.44	300,000	23,545,081.36		
1,500	117,725.41	10,000	784,836.05	400,000	31,393,441.80		
2,000	156,967.21	20,000	1,569,672.09	500,000	39,241,802.26		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 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.

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 us and/or the Overall Coordinators, as the Company's agents, 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 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 Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their directors, officers, employees, partners, agents, advisors 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 us, 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 paragraph 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, chief executives, 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, chief executives, 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 Overall Coordinators 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 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 at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function. 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.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	24 hours, from 11:00 p.m. on Wednesday, April 22, 2026 to 12:00 midnight on Tuesday, April 28, 2026 (Hong Kong time)
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **https://www.huaqin.com/** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Wednesday, April 22, 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 Thursday, April 23, 2026 to Tuesday, April 28, 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 Tuesday, April 21, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, April 21, 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 **https://www.huaqin.com/** by no later than 11:00 p.m. on Wednesday, April 22, 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 the Company's agents exercise their discretion to reject your application:

The Company, the Overall Coordinators, 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: (a) within three weeks from the closing date of the application lists; or (b) within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. **If:** (a) you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications; (b) your application instruction is incomplete; (c) your payment (or confirmation of funds, as the case may be) is not made correctly; (d) the Underwriting Agreements do not become unconditional or are terminated; or (e) the Company or the Overall Coordinators believe that by accepting your application, it or they 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 Bank 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 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 us, 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 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 Thursday, April 23, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid 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. **Time:** from 9:00 a.m. to 1:00 p.m. on Thursday, April 23, 2026 (Hong Kong time) 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.	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. No action by you is required.

1 Except in the event of a Severe Weather Signals (as defined below) in force in Hong Kong in the morning on Wednesday, April 22, 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
	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**: Wednesday, April 22, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Thursday, April 23, 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
Application monies paid through multiple bank accounts	Refund cheque(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 Monday, April 20, 2026 if, there is: (a) a tropical cyclone warning signal number 8 or above; (b) a black rainstorm warning; and/or (c) Extreme Conditions, (collectively, "**Severe Weather Signals**"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, April 20, 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 **https://www.huaqin.com/** of the revised timetable.

If a Severe Weather Signal is hoisted on Wednesday, April 22, 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 Thursday, April 23, 2026.

If a **Severe** Weather Signal is hoisted on Wednesday, April 22, 2026, 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 re-opens after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, April 22, 2026 or on Thursday, April 23, 2026).

If a **Severe** Weather Signal is hoisted on Thursday, April 23, 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 Thursday, April 23, 2026 or on Friday, April 24, 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 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 bank 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: (a) processing your application and refund cheque 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; (b) compliance with applicable laws and regulations in Hong Kong and elsewhere; (c) registering new issues or transfers into or out of the names of the holders of the Offer Shares including, where applicable, HKSCC Nominees; (d) maintaining or updating the register of members of the Company; (e) verifying identities of applicants for and holders of the Offer Shares and identifying any duplicate applications for the Offer Shares; (f) facilitating Hong Kong Offer Shares balloting; (g) establishing benefit entitlements of holders of the Offer Shares, such as dividends, rights issues, bonus issues, etc.; (h) distributing communications from the Company and its subsidiaries; (i) compiling statistical information and profiles of the holder of the Offer Shares; (j) disclosing relevant information to facilitate claims on entitlements; and (k) 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 Offer Shares and/or regulators and/or any other purposes to which applicants and holders of the Offer 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: (a) the Company's appointed agents such as financial advisors and receiving bank; (b) 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); (c) 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 operation; (d) 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 (e) 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 were 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 hold 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 set out on pages I-1 to I-2, received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of 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.

BDO

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HUAQIN CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND MERRILL LYNCH (ASIA PACIFIC) LIMITED.

Introduction

We report on the historical financial information of Huaqin Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-81, which comprises the consolidated statements of financial position of the Group as of December 31, 2023, 2024 and 2025, the statements of financial position of the Company as of December 31, 2023, 2024 and 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years then ended December 31, 2023, 2024 and 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-81 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated April 15, 2026 (the "Prospectus") in connection with the initial listing of 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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of 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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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 Company as of December 31, 2023, 2024 and 2025 and the consolidated financial position of the Group as of December 31, 2023, 2024 and 2025 and of the Group's financial performance and cash flows for each of the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED 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-3 have been made.

Dividends

We refer to Note 17 to the Historical Financial Information which contains information about dividends declared and paid by the Company in respect of the Track Record Period.

BDO Limited
Certified Public Accountants
Chau Ka Kin
Practising Certificate no. P07445
Hong Kong, April 15, 2026

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the historical financial information for the Track Record Period (the "Historical Financial Information") which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period on which the Historical Financial Information is based, were audited by BDO Limited in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**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 AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	85,338,484	109,877,987	171,436,927
Cost of sales		(76,001,568)	(99,994,465)	(158,206,431)
Gross profit		9,336,916	9,883,522	13,230,496
Other income	*8*	758,390	995,154	945,434
Other gains and losses, net	*9*	364,714	319,939	498,366
Provision for impairment losses	*10*	(342,849)	(117,719)	(209,375)
Selling expenses		(199,203)	(217,277)	(338,784)
General and administrative expenses		(2,198,241)	(2,323,331)	(3,031,079)
Research and development expenses		(4,547,527)	(5,155,807)	(6,363,453)
Finance costs	*11*	(270,331)	(244,092)	(308,359)
Share of results of associates		(66,652)	(103,325)	52,687
Profit before tax	*12*	2,835,217	3,037,064	4,475,933
Income tax expenses	*13*	(178,207)	(120,713)	(344,358)
Profit for the year		2,657,010	2,916,351	4,131,575
Other comprehensive income for the year				
Items that may be reclassified subsequently to profit or loss:				
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		7,291	19,708	(96,475)
(Loss)/gain of cash flow hedge		(74,601)	(26,520)	11,849
Share of other comprehensive income/(loss) of investment in associates		2,345	(21,685)	(6,608)
Other comprehensive loss for the year, net of tax		(64,965)	(28,497)	(91,234)
Total comprehensive income for the year		2,592,045	2,887,854	4,040,341
Profit for the year attributable to:				
Owners of the parent		2,708,451	2,928,940	4,081,338
Non-controlling interests		(51,441)	(12,589)	50,237
		2,657,010	2,916,351	4,131,575
Total comprehensive income attributable to:				
Owners of the parent		2,643,624	2,900,687	3,993,549
Non-controlling interests		(51,579)	(12,833)	46,792
		2,592,045	2,887,854	4,040,341
Earnings per share attributable to ordinary equity holders of the Parent				
Basic (RMB)	*16*	2.84	2.90	4.04
Diluted (RMB)	*16*	2.84	2.90	4.04

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As of December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*20*	7,716,001	9,654,042	13,216,560
Intangible assets	*21*	120,222	615,515	653,874
Right-of-use assets	*22*	1,399,904	1,765,154	1,904,713
Goodwill	*23*	599	1,331,868	1,376,301
Investments in associates	*19*	1,147,364	1,648,298	4,161,827
Financial assets at fair value through profit or loss ("**FVTPL**")	*25*	2,502,062	2,462,646	2,687,906
Deferred tax assets	*24*	429,136	522,061	417,498
Prepayments	*26*	78,290	212,852	513,653
Certificates of deposits held	*27*	738,673	421,383	–
Time deposits	*27*	1,243,573	1,441,448	526,304
Total non-current assets		15,375,824	20,075,267	25,458,636
Current assets				
Inventories	*28*	4,343,675	11,476,053	14,623,928
Trade and bills receivables	*26*	14,417,624	25,507,027	34,368,702
Prepayments, deposits and other receivables	*26*	1,769,912	3,484,009	5,082,864
Financial assets at fair value through other comprehensive income ("**FVTOCI**")	*25*	49,682	24,691	331,229
Financial assets at FVTPL	*25*	2,726,902	1,177,847	777,909
Derivative Financial Instruments	*25*	83,347	222,976	134,060
Tax recoverable		6,820	14,766	50,605
Time deposits	*27*	–	32,431	952,861
Certificates of deposits held	*27*	–	640,118	434,260
Restricted bank deposits	*27*	2,505,212	2,216,458	3,720,326
Cash and bank balances	*27*	10,230,638	11,425,180	10,270,248
Total current assets		36,133,812	56,221,556	70,746,992
Total assets		51,509,636	76,296,823	96,205,628
Current liabilities				
Trade and bills payables	*29*	21,633,520	37,280,614	45,206,094
Other payables and accruals	*29*	1,548,270	1,927,097	2,326,400
Contract liabilities	*30*	121,481	492,518	673,531
Borrowings	*31*	4,757,354	9,093,003	14,577,287
Tax payables		144,232	427,823	516,377
Derivative Financial Instruments	*25*	49,934	231,746	158,262
Lease liabilities	*32*	170,962	216,132	225,710
Provision		–	–	16,960
Total current liabilities		28,425,753	49,668,933	63,700,621
Net current assets		7,708,059	6,552,623	7,046,371
Total assets less current liabilities		23,083,883	26,627,890	32,505,007

	Notes	As of December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current liabilities				
Borrowings	31	1,345,171	2,472,963	4,749,497
Deferred income	33	259,907	249,560	327,561
Lease liabilities	32	268,975	461,510	465,601
Deferred tax liabilities	24	366,783	519,797	413,047
Other payables and accruals	29	–	–	44,433
Provision		–	–	159,540
Total non-current liabilities		2,240,836	3,703,830	6,159,679
NET ASSETS		20,843,047	22,924,060	26,345,328
Capital and reserves				
Equity attributable to owners of the Company				
Share capital	35	724,252	1,015,891	1,015,732
Reserves		11,037,668	10,546,985	10,746,777
Retained earnings		9,104,411	10,980,382	14,034,848
		20,866,331	22,543,258	25,797,357
Non-controlling interests		(23,284)	380,802	547,971
TOTAL EQUITY		20,843,047	22,924,060	26,345,328

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company											
	Share capital	Capital reserve	Treasury shares reserve	Statutory reserve	Share award reserve	Share of OCI of investment in associates reserve	Cash flow hedge reserve	Exchange and other reserve	Retained earnings	Subtotal	Non-controlling interests	Total
	(Note 35)	*(Note 37(i))*	*(Note 36)*	*(Note 37(ii))*	*(Note 37(iii))*	*(Note 37(v))*	*(Note 37(vi))*	*(Note 37(vii))*	*(Note 37(iv))*			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as of January 1, 2023	651,827	4,146,744	–	214,635	761,213	(10,517)	106,779	54,077	6,458,261	12,383,019	28,295	12,411,314
Profit for the year	–	–	–	–	–	–	–	–	2,708,451	2,708,451	(51,441)	2,657,010
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	–	–	–	–	–	–	–	7,429	–	7,429	(138)	7,291
Loss of cash flow hedge	–	–	–	–	–	–	(74,601)	–	–	(74,601)	–	(74,601)
Share of other comprehensive income of investment in associates	–	–	–	–	–	2,345	–	–	–	2,345	–	2,345
Total comprehensive income	–	–	–	–	–	2,345	(74,601)	7,429	2,708,451	2,643,624	(51,579)	2,592,045
Issuance of new shares (IPO)	72,425	5,658,258	–	–	–	–	–	–	–	5,730,683	–	5,730,683
Recognition of equity-settled share-based payment expenses	–	–	–	–	110,766	–	–	–	–	110,766	–	110,766
Vesting of restricted share	–	654,161	–	–	(654,161)	–	–	–	–	–	–	–
Transfer from retained earnings to statutory reserve	–	–	–	62,301	–	–	–	–	(62,301)	–	–	–
Others*	–	(1,761)	–	–	–	–	–	–	–	(1,761)	–	(1,761)
Balance as of December 31, 2023	724,252	10,457,402	–	276,936	217,818	(8,172)	32,178	61,506	9,104,411	20,866,331	(23,284)	20,843,047

	Attributable to owners of the Company											
	Share capital	Capital reserve	Treasury shares reserve	Statutory reserve	Share award reserve	Share of OCI of investment in associates reserve	Cash flow hedge reserve	Exchange and other reserve	Retained earnings	Subtotal	Non-controlling interests	Total
	(Note 35)	*(Note 37(i))*	*(Note 36)*	*(Note 37(ii))*	*(Note 37(iii))*	*(Note 37(v))*	*(Note 37(vi))*	*(Note 37(vii))*	*(Note 37(iv))*			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as of January 1, 2024	724,252	10,457,402	–	276,936	217,818	(8,172)	32,178	61,506	9,104,411	20,866,331	(23,284)	20,843,047
Profit for the year	–	–	–	–	–	–	–	–	2,928,940	2,928,940	(12,589)	2,916,351
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	–	–	–	–	–	–	–	19,952	–	19,952	(244)	19,708
Loss of cash flow hedge	–	–	–	–	–	–	(26,520)	–	–	(26,520)	–	(26,520)
Share of other comprehensive loss of investment in associates	–	–	–	–	–	(21,685)	–	–	–	(21,685)	–	(21,685)
Total comprehensive income	–	–	–	–	–	(21,685)	(26,520)	19,952	2,928,940	2,900,687	(12,833)	2,887,854
Repurchase of shares	–	–	(309,537)	–	–	–	–	–	–	(309,537)	–	(309,537)
Issuance of restricted shares to employees	1,961	72,423	(74,384)	–	–	–	–	–	–	–	–	–
Vesting of restricted share	–	100,879	–	–	(100,879)	–	–	–	–	–	–	–
Recognition of equity-settled share-based payment expenses	–	–	–	–	91,617	–	–	–	–	91,617	65	91,682
Transfer from retained earnings to statutory reserve	–	–	–	43,864	–	–	–	–	(43,864)	–	–	–
Transfer from share premium to share capital	289,678	(289,678)	–	–	–	–	–	–	–	–	–	–
Purchase a subsidiary	–	–	–	–	–	–	–	–	–	–	375,778	375,778
Transaction with NCI	–	–	–	–	–	–	–	–	(140,073)	(140,073)	41,076	(98,997)
Others*	–	1,406	–	–	–	–	–	–	–	1,406	–	1,406
2023 final dividend paid	–	–	1,859	–	–	–	–	–	(869,032)	(867,173)	–	(867,173)
Balance as of December 31, 2024	1,015,891	10,342,432	(382,062)	320,800	208,556	(29,857)	5,658	81,458	10,980,382	22,543,258	380,802	22,924,060

	Attributable to owners of the Company											
	Share capital	Capital reserve	Treasury shares reserve	Statutory reserve	Share award reserve	Share of OCI of investment in associates reserve	Cash flow hedge reserve	Exchange and other reserve	Retained earnings	Subtotal	Non-controlling interests	Total
	(Note 35)	*(Note 37(i))*	*(Note 36)*	*(Note 37(ii))*	*(Note 37(iii))*	*(Note 37(v))*	*(Note 37(vi))*	*(Note 37(vii))*	*(Note 37(iv))*			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as of January 1, 2025	1,015,891	10,342,432	(382,062)	320,800	208,556	(29,857)	5,658	81,458	10,980,382	22,543,258	380,802	22,924,060
Profit for the year	–	–	–	–	–	–	–	–	4,081,338	4,081,338	50,237	4,131,575
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	–	–	–	–	–	–	–	(93,030)	–	(93,030)	(3,445)	(96,475)
Gain of cash flow hedge	–	–	–	–	–	–	11,849	–	–	11,849	–	11,849
Share of other comprehensive loss of investment in associates	–	–	–	–	–	(6,608)	–	–	–	(6,608)	–	(6,608)
Total comprehensive income for the year	–	–	–	–	–	(6,608)	11,849	(93,030)	4,081,338	3,993,549	46,792	4,040,341
Treasury shares transferred to the grantees or cancelled under share award schemes	(159)	(66,393)	66,552	–	–	–	–	–	–	–	–	–
Vesting of restricted share	–	129,639	31,075	–	(129,639)	–	–	–	–	31,075	–	31,075
Recognition of equity-settled share-based payment expenses	–	–	–	–	98,894	–	–	–	–	98,894	123	99,017
Capital injection by NCI	–	58,347	–	–	–	–	–	–	–	58,347	99,114	157,461
Purchase a subsidiary	–	–	–	–	–	–	–	–	–	–	15,129	15,129
Transaction with NCI	–	–	–	–	–	–	–	–	(51,011)	(51,011)	6,011	(45,000)
Transfer from retained earnings to statutory reserves	–	–	–	64,231	–	–	–	–	(64,231)	–	–	–
Others*	–	30,223	–	–	–	–	–	–	–	30,223	–	30,223
2024 final dividend paid	–	–	4,652	–	–	–	–	–	(911,630)	(906,978)	–	(906,978)
Balance as of December 31, 2025	1,015,732	10,494,248	(279,783)	385,031	177,811	(36,465)	17,507	(11,572)	14,034,848	25,797,357	547,971	26,345,328

* Other changes in equity of investment in associates

CONSOLIDATED STATEMENTS OF CASH FLOWS

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Profit before tax	2,835,217	3,037,064	4,475,933
Adjustments for:			
Impairment loss on investment in associates	112,263	36,653	–
Impairment loss on inventories	188,123	90,541	172,102
Impairment loss on goodwill	–	–	26,782
Depreciation of property, plant and equipment	911,339	1,020,777	1,278,377
Depreciation of right-of-use assets	128,838	150,768	235,294
Amortization of intangible assets	46,089	71,498	136,396
Impairment losses/(reversal of impairment losses) on trade and bills receivables	44,396	(4,226)	10,561
Reversal of impairment losses on other receivable	(1,933)	(5,249)	(70)
Net (gains)/losses from changes in fair value of financial assets/liabilities at FVTPL	(275,212)	188,394	(196,958)
Net losses/(gains) from disposal of equity interests in associates	560	(64,096)	(18)
Net gains from disposal of financial assets/liabilities at FVTPL	(62,156)	(237,196)	(187,739)
Gain on deemed disposal of shares in an associate	(1,574)	(2,720)	(27,046)
Dividend income from equity investment measured at FVTPL	(10,089)	(64,414)	(40,582)
Loss on disposal of financial assets at amortized cost	579	260	–
Share of results of associates	66,652	103,325	(52,687)
Share-based payment expense	110,743	90,279	98,416
Finance costs	270,331	244,092	308,359
Loss on disposal of property, plant and equipment, intangible assets and other non-current assets	14,460	1,345	2,476
Net foreign exchange losses/(gains)	190,494	(66,975)	(53,495)
Operating cash flows before movements in working capital	4,569,120	4,590,120	6,186,101
Increase in receivables	(1,025,196)	(10,612,174)	(12,168,730)
(Decrease)/increase in payables	(1,122,540)	14,043,403	9,465,712
Decrease/(increase) in inventories	1,680,192	(6,432,444)	(3,353,652)
Cash generated from operations	4,101,576	1,588,905	129,431
Income taxes paid	(251,796)	(213,151)	(352,743)
Net cash generated from/(used in) operating activities	3,849,780	1,375,754	(223,312)

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
INVESTMENT ACTIVITIES			
Payments for acquisition of subsidiaries, net of cash acquired	–	(2,566,314)	(2,223,250)
Purchase and disposal of investments in associates, net	(127,531)	(730,884)	(2,493,856)
Net proceeds from financial assets/liabilities at FVTPL, FVTOCI and derivative instruments	(1,769,782)	1,646,765	673,436
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets	19,119	18,558	27,355
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets	(1,464,826)	(2,066,928)	(3,431,567)
Payment for disposal of a subsidiary	–	4,858	–
Dividends received	17,117	74,492	63,612
Restricted cash	1,095	(1)	639
Net cash used in investing activities	(3,324,808)	(3,619,454)	(7,383,631)
FINANCING ACTIVITIES			
Proceeds from IPO	5,761,958	–	–
Proceeds from restricted share schemes	–	74,384	106,474
Capital injection by NCI	–	–	157,460
Transaction with NCI	–	(99,000)	(45,000)
Payments for repurchase of shares	–	(309,537)	(4,302)
Withdrawal of/(payment for) time deposit, certificate of deposit, restricted cash and other receivable pledged for borrowing and lease	141,333	(616,458)	(788,060)
Proceeds from borrowings	10,705,687	20,288,355	24,737,379
Repayments of borrowings	(10,871,707)	(14,699,165)	(16,030,605)
Interests paid	(175,913)	(218,368)	(376,953)
Dividends paid to the Company's shareholders	–	(869,032)	(911,630)
Repayment of lease liabilities	(78,243)	(184,785)	(101,709)
Interest paid for lease liabilities	(16,263)	(18,351)	(29,935)
Payment of listing expense	(29,547)	–	(21,489)
Net cash generated from financing	5,437,305	3,348,043	6,691,630
Net increase/(decrease) in cash and cash equivalents	5,962,277	1,104,343	(915,313)
Cash and cash equivalents at the beginning of the year	4,502,971	10,230,638	11,425,180
Effect of exchange rate changes	(234,610)	90,199	(239,619)
Cash and cash equivalents at the end of the year, represented by bank balance and cash	10,230,638	11,425,180	10,270,248

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As of December 31,		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*20*	324,632	237,992	224,800
Intangible assets	*21*	94,422	111,668	120,411
Right-of-use assets	*22*	26,062	–	–
Investments in subsidiaries	*18*	5,430,145	6,538,457	6,589,145
Investments in an associate	*19*	–	–	2,424,982
Deferred tax assets	*24*	6,743	6,886	10,724
Prepayments	*26*	14,214	15,628	19,895
Total non-current assets		5,896,218	6,910,631	9,389,957
Current assets				
Trade receivables	*26*	1,819,280	1,648,115	1,727,753
Prepayments, deposits and other receivables	*26*	6,075,845	6,643,945	8,776,544
Financial assets at FVTPL	*25*	302,140	431,393	–
Tax recoverable		–	9,995	–
Cash and bank balances	*27*	1,757,710	1,041,470	439,591
Total current assets		9,954,975	9,774,918	10,943,888
Total assets		15,851,193	16,685,549	20,333,845
Current liabilities				
Trade payables	*29*	1,867,494	3,137,747	5,370,574
Other payables and accruals	*29*	369,163	378,488	662,154
Contract liabilities	*30*	–	862	216,495
Borrowings	*31*	215,418	320,000	55,360
Lease liabilities	*32*	23,522	–	–
Income tax payable		45,788	–	8,612
Total current liabilities		2,521,385	3,837,097	6,313,195
Net current assets		7,433,590	5,937,821	4,630,693
Total assets less current liabilities		13,329,808	12,848,452	14,020,650
Non-current liabilities				
Borrowings	*31*	320,000	479,963	1,778,234
Deferred tax liabilities	*24*	4,824	609	206
Deferred income	*33*	12,619	21,905	18,262
Total non-current liabilities		337,443	502,477	1,796,702
NET ASSETS		12,992,365	12,345,975	12,223,948
Equity attributable to owners of the Company				
Share capital	*35*	724,252	1,015,891	1,015,732
Reserves	*36,37*	10,726,394	10,262,624	10,474,304
Retained earnings		1,541,719	1,067,460	733,912
TOTAL EQUITY		12,992,365	12,345,975	12,223,948

II NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Huaqin Co., Ltd. (the "Company") was established in the People's Republic of China (the "**PRC**") on August 29, 2005. As of August 8, 2023, the Company's shares were listed on the Shanghai Stock Exchange with stock code 603296. The address of the Company's registered office is Building 1, No. 399, Keyuan Road, China (Shanghai) Pilot Free Trade Zone, PRC.

The Company and its subsidiaries (collectively, the "Group") are principally engaged in design, development, manufacture and sales of smart products, including mobile terminals, computing and data center business, AIoT, and innovative business.

Mr. Qiu Wensheng is the largest shareholder of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information adopted are set out in Note 4.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, the Group has consistently adopted all applicable new and revised IFRSs that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 3.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies set out in Note 4 have been applied consistently to all periods presented in the Historical Financial Information.

3. APPLICATION OF NEW AND REVISED IFRSs

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

New and amendments to IFRS Accounting Standards issued but not yet effective

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 Accounting Standards	Annual Improvements to IFRS Accounting Standards[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after January 1, 2026

[2] Effective for annual periods beginning on or after January 1, 2027

[3] No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. 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 disclosures.

The Group has already commenced an assessment of the impact of these new and revised IFRS, which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and financial position of the Group is expected when new and amended IFRS Accounting Standards become effective.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c. Level 3 inputs are unobservable inputs for the asset or liability. The principal accounting policies are set out below.

(a) Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee:
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

(b) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any NCI in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the NCI's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any NCI in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as of the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

(c) Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognizes the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

(d) Investments in subsidiaries and disposals of subsidiaries

Investments in subsidiaries are stated at cost less any identified impairment loss on the statements of financial position of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

(e) Impairment of non-financial assets (excluding inventories and deferred tax assets)

Impairment tests on goodwill are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("**CGUs**"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income. An impairment loss recognized for goodwill is not reversed.

(f) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not to control or to have joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

When there is objective evidence that the investment in an associate is impaired, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

(g) Foreign currency translation

(a) Foreign Currency Transactions

Foreign currency transactions are translated into functional currency for bookkeeping purposes using the exchange rate at the beginning of the month in which the transaction occurs. On the balance sheet date, the balances of foreign currency monetary items are translated at the spot exchange rate on the balance sheet date. The exchange differences arising therefrom are recognized in the current period profit or loss, except for the exchange differences from foreign currency-specific borrowings related to the acquisition or construction of assets that meet the capitalization criteria, which are accounted for in accordance with the principles of borrowing cost capitalization.

(b) Translation of Foreign Currency Financial Statements

Assets and liabilities items are translated using the spot exchange rate on the balance sheet date. Equity items, except for "retained earnings", are translated using the spot exchange rate at the time of their occurrence. Items in the income statement are translated using the weighted average exchange rate on the transaction date.

On disposal of a foreign operation, the cumulative exchange differences recognized in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale. Costs of inventories are determined on a weighted average method.

(i) Revenue recognition

Revenue is recognized to depict the transfer of goods to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring products or services to a customer ("**transaction price**").

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 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 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 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.

When volume rebates are provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract, rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used.

Revenue is recognized either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which Group has received consideration (or an amount of consideration is due) from the customer.

Further details of the Group's revenue and other income recognition policies are as follows:

Revenue from sale of goods

Revenue from contracts with customers is recognized at the point in time when control of goods is transferred to the customers, generally when the Group has delivered goods to the location specified in the sales contract and the buyer has confirmed the acceptance of the goods.

The credit period granted to customers by the Group is determined based on their credit risk characteristics. In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Interest 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.

(j) Leasing

Definition of 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.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognize right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term less than 12 months and leases of low-value assets. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statements of financial position.

Right-of-use asset

The right-of-use asset is recognized at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the date of initial application over the shorter of the remaining lease term or the useful life of the underlying asset. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is recognized at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as of commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(k) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(l) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognized as deferred revenue in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are 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 are recognized in profit or loss in the period in which they become receivable.

(m) Retirement benefit costs

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group.

(n) Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

(o) Share-based payment

The Company operates restricted share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) and consultants of the Group receive remuneration in the form of share-based payments, whereby employees and consultants render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees and others providing similar services is measured by reference to the fair value of the equity instruments at the date at which they are granted. The cost of equity-settled transactions with parties other than employees is measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value is measured indirectly by reference to the fair value of the equity instruments granted.

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 the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of 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 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 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 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 cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(p) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries or associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(q) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized as an expense in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

	Useful life	Residual value rate	Annual depreciation rate
Property and buildings	20-30 years	5.00%-10.00%	3.00%-4.75%
Self-owned land	not depreciated	N/A	N/A
Machinery	3-10 years	5.00%-10.00%	9.00%-31.67%
Transportation vehicles	3-5 years	5.00%-10.00%	18.00%-31.67%
Furniture, fixtures and equipment	3-5 years	5.00%-10.00%	18.00%-31.67%
Decoration	3-5 years	N/A	20.00%-33.33%
Leasehold improvement	Shorter of their useful lives and the lease term	N/A	N/A

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognized.

(r) Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided on a straight-line basis over their useful lives as follows. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortization expense is recognized in profit or loss.

Patent	5-20 years
Software	5-10 years
Customer relationship	5-15 years
Non-patented technology	5-10 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

(s) Research and development costs

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product; and
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in profit or loss as incurred.

(t) Impairment losses on tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than goodwill which with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of value in use and fair value less costs of disposal. In assessing value in use, the estimated future cash flows of the asset (or the cash-generating unit) 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 (or the cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or the cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

(u) Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the Track Record Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain on derecognition is recognized in profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model, whereby changes in fair value, interest income calculated using the effective interest rate method and foreign exchange gains and losses are recognized in profit or loss. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through other comprehensive income ("**FVTOCI**"), as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividend income are recognized in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognized in profit or loss.

Impairment loss on financial assets

The Group recognizes a loss allowance for expected credit loss ("**ECL**") on financial assets which are subject to impairment under IFRS 9 "Financial Instruments". The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group has elected to measure loss allowances for trade receivables using IFRS 9 simplified approach and always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are assessed collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in the credit risk since initial recognition or evidence that a financial asset is credit-impaired, then the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, or the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the relevant weighting.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables, other receivables are each assessed as a separate group.);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method. The related interest expense is recognized in profit or loss. Gains or losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(v) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(w) Related parties

(i) A person or a close member of that person's family is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of key management personnel of the Group or the Company's parent.

(ii) An entity is related to the Group if any of the following conditions apply:

(a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(h) 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 Group's parent.

(iii) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

(x) Hedging accounting polices

(a) Derivative financial instruments:

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

(y) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and variable rate borrowings. Some borrowings are designated as hedges of the foreign exchange risk of a net investment in a foreign operation.

(a) Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve within equity. The effective portion that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis from inception of the hedge. Any ineffective portion is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is removed from the reserve and is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified through OCI to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognized in accordance with the above policy.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve is immediately reclassified through OCI to profit or loss.

(z) Treasury shares

Own equity instruments which held by the Company or the Group (treasury shares) are recognized directly in equity at cost. No gain or loss is recognized in the consolidated statements of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Historical Financial Information.

Significant influence over investees

The Group has investments in several entities in which the Group holds less than 20% of their equity interests and these investees are nevertheless accounted for as associates during the Track Record Period. The directors consider that the Group has significant influence over these entities based on the factor that the Group has appointed directors to the underlying entities and has power to participate in the financial and operating policy decisions of the investee but is not to control or to have joint control.

No control nor significant influence over 50% equity interest in investees

Certain group entities are limited partners of certain investment funds, in which the limited partners hold more than 50% of their equity interests in these funds, and these funds are not accounted for as subsidiaries. In assessing whether the Group has control over these funds, the following considerations are taken into account:

- The scope of the Group's decision-making authority over the funds
- The Group's exposure to variability of returns from other interests that it holds in the funds
- The rights held by third parties

Based on the above relevant facts and circumstances, the directors consider that the Group does not have a wide-ranging discretion regarding the scope of decision making rights on the underlying funds and significant exposure to variable returns of the underlying funds. Accordingly, the directors consider that the Group does not have control over these funds and these funds are not accounted for as subsidiaries of the Company.

Key sources of estimation uncertainty

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated, which is the higher of value in use or fair value less costs of disposal. The value-in-use calculation requires the directors of the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amounts of goodwill as of December 31, 2023, 2024 and 2025 were approximately RMB599,000, RMB1,331,868,000 and RMB1,376,301,000, respectively. Details of the impairment loss calculation are set out in Note 23.

Useful lives and estimated impairment on property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will increase the depreciation charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

The Group regularly reviews whether there are any indications of impairment and recognizes an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group tests for impairment for property, plant and equipment whenever there is an indication that the asset may be impair. The recoverable amounts have been determined based on the higher of value in use and fair value less costs of disposal. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

Useful lives and estimated impairment on intangible assets

The Group's management determines the useful lives and related amortization charges for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions and may vary significantly as a result of technical innovations and keen competitions from competitors, resulting in higher amortization charge and/or write-off or write-down of technically obsolete assets when useful lives are less than previously estimated. The Group will increase the amortization charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

The Group regularly reviews whether there are any indications of impairment and recognizes an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group tests for impairment for intangible assets whenever there is an indication that the asset may be impaired. The recoverable amounts have been determined based on the higher of value in use and fair value less costs of disposal. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

Provision of ECL for financial assets at amortized cost

The Group calculates ECL for trade and other receivables and cash and cash equivalent under IFRS 9. The provision rates are based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. Details of the key assumptions and inputs used are set out in Note 40. Changes in these assumptions and estimation could materially affect the assessment and it may be necessary to make additional loss allowance in future periods.

Fair value measurements for financial assets at FVTPL and financial assets at FVTOCI

The Group has made various investments during the Track Record Period as set out in Note 25. The Group accounts for these financial instruments as financial assets at FVTPL and financial assets at FVTOCI. For those investments with no quoted market prices in an active market, their fair values are estimated by using valuation techniques. These techniques include those further described in Note 42 under the heading "Fair value measurement". Valuation techniques are certified by independent and recognized business valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data. However, some inputs, such as probability of redemption of preference shares, require management estimates and assumptions, which are reviewed periodically and adjusted if necessary. Should any of the estimates and assumptions be changed, it may lead to a change in the fair value of the financial assets.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in customer preference, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting period.

6. REVENUE

Disaggregation of revenue from contracts with customers

Revenue for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Mobile terminal	48,039,458	51,035,492	80,209,938
Computing & data center business	33,691,401	49,677,701	75,475,018
AIoT	1,633,586	4,672,515	7,884,923
Innovative Business	821,269	1,576,356	3,483,787
Others*	1,152,770	2,915,923	4,383,261
	85,338,484	109,877,987	171,436,927

* Others primarily include sales of materials and scrap.

The Group applies the practical expedient of not disclosing the transaction prices allocated to the remaining performance obligations as the original expected duration of all the contracts from customers of the Group are within one year or less.

Timing of revenue from contracts with customers recognition

All revenue from contracts with customers within the scope of IFRS 15 are recognized at a point in time.

Contract liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The contract liabilities mainly relate to the advance consideration received from customers.

The Group

As of December 31, 2023, 2024 and 2025, the Group recognized contract liabilities of RMB121,481,000, RMB492,518,000 and RMB673,531,000 respectively.

The following table shows the amount of revenue recognized during the Track Record Period is included in the contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the year	576,368	121,479	369,855

The Company

As of December 31, 2023, 2024 and 2025, the Company recognized contract liabilities of nil, RMB862,000 and RMB216,495,000, respectively.

The following table shows how the amount of revenue recognized during the Track Record Period is included in the contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the year	43,500	–	862

7. SEGMENT INFORMATION

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). Management reviews the performance of the Group as a single operating segment based on the internal organisation structure, management requirements and internal reporting system. No separate analysis of the segment results by reportable segment is necessary.

Geographical information

An analysis of the Group's revenue from external customers, based on location of customers and analysed by regions, is presented below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers			
– Chinese Mainland	29,047,388	53,475,524	79,189,892
– Overseas*	56,291,096	56,402,463	92,247,035
	85,338,484	109,877,987	171,436,927

* Included Hong Kong SAR, Asia (other than Chinese Mainland and Hong Kong SAR) and other regions.

Information about the Group's non-current assets excluding financial assets, prepayments and deferred tax assets by geographical location of the assets are presented below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets excluding goodwill, investment in associates, deferred tax assets, financial assets at FVTPL, certificates of deposits held, time deposits and prepayments.			
– Chinese Mainland	9,190,175	11,190,295	13,982,136
– Overseas	45,952	844,416	1,793,011
	9,236,127	12,034,711	15,775,147

Information about major customer

Revenue from a customer which contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company A	22,137,895	13,307,343	21,642,730
Company B	16,451,770	20,781,584	25,505,632
Company C	*	*	18,132,030
	38,589,665	34,088,927	65,280,392

All the revenues derived from other single customer were less than 10% of the Group's total revenues during the reporting period.

* Less than 10% of the Group's revenue

8. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(Note i)*	350,765	496,699	508,328
Interest income from bank deposit, time deposits and certificates of deposits held	368,675	478,339	400,550
Super-input value-added tax ("VAT") credit *(Note ii)*	30,131	9,199	23,809
Others	8,819	10,917	12,747
	758,390	995,154	945,434

Note i: Asset-related deferred income systematically released to profit or loss over the estimated useful lives of the related assets or the designated period. During the years ended December 31, 2023, 2024 and 2025, the amount of government grants recognized from asset-related deferred income (Note 33) was approximately RMB72,695,000, RMB74,990,000, and RMB88,547,000, respectively.

Note ii: Super-input VAT credit amounted to RMB30,131,000, RMB9,199,000 and RMB23,809,000 for the years ended December 31, 2023, December 31, 2024 and December 31, 2025 was recognized in consolidated statements of profit or loss and other comprehensive income due to the VAT reform. In accordance with Caishui 2023 No. 1 introduced announced by MOF and STA, certain subsidiaries of the Company meet the requirement of the Producer and Consumer Services Industries and are eligible for additional VAT credits by 5% of the current period creditable VAT input from January 1, 2023 to December 31, 2023. In accordance with Caishui 2023 No. 43 introduced announced by MOF and STA, advanced manufacturing enterprises are eligible for a 5% additional VAT deduction based on deductible input VAT.

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net gains/(losses) on fair value changes of financial assets and financial liabilities measured at FVTPL	275,212	(188,394)	196,958
Net gains on disposal of financial assets and financial liabilities measured at FVTPL	62,156	237,196	187,739
Dividend income from equity investment measured at FVTPL	10,089	64,414	40,582
Net (losses)/gains on disposal of equity interest in associates	(560)	64,096	18
Gain on deemed disposal of shares in associates	1,574	2,720	27,046
Exchange (losses)/gains	(39,079)	73,394	(14,869)
Others	55,322	66,513	60,892
	364,714	319,939	498,366

10. PROVISION FOR IMPAIRMENT LOSSES

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses/(reversal of impairment losses) under ECL model, net			
Trade and bills receivables	44,396	(4,226)	10,561
Other receivables	(1,933)	(5,249)	(70)
	42,463	(9,475)	10,491
Other impairment losses			
Impairment of investment in associates*	112,263	36,653	–
Impairment of inventories**	188,123	90,541	172,102
Impairment of goodwill	–	–	26,782
	300,386	127,194	198,884
Total	342,849	117,719	209,375

* The Group assesses whether there is objective evidence that investment in associates are impaired as of each balance sheet date. As of December 31, 2023, one associate of the Group is likely to enter bankruptcy, and the management of the Group made full impairment of the associate. Two other associates of the Group experienced continued losses, and the management of the Group performed impairment assessments with the assistance of an independent external valuer and determined the recoverable amount of the investment based on its fair value less costs of disposal. The Group assessed the fair value of these two associates by referencing to the market comparables' ratios of the price to book (4.6393 and 7.4458) and considering the lack of marketability discount (28.70% and 23.80%). Based on the management's assessment result, a total impairment loss of RMB112,263,000 was recognized as of December 31, 2023.

As of December 31, 2024, one associate of the Group experienced continued losses, and the management of the Group performed an impairment assessment with the assistance of an independent external valuer and determined the recoverable amount of the investment based on its fair value less costs of disposal. The Group assessed the fair value of this associate by referencing to its net asset of RMB3,007,000. Based on the management's assessment result, an impairment loss of RMB36,653,000 was recognized as of December 31, 2024.

** Other than the impairment loss of RMB96.6 million recognized in the year of 2023 was related to products produced specifically for one customer with deteriorating performance, other impairment loss was mainly recognized for obsolete, outdated or products with negative gross profit margin generated during normal business operations.

11. FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses on borrowings	254,068	225,741	278,424
Interest expenses on lease liabilities	16,263	18,351	29,935
	270,331	244,092	308,359

12. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables used	73,262,819	95,809,307	150,700,491
Write-down on inventories	188,123	90,541	172,102
Depreciation for property, plant and equipment	911,339	1,020,777	1,278,377
Amortization of intangible assets	46,089	71,498	136,396
Depreciation of right-of-use assets	128,838	150,768	235,294
Staff costs (including directors' emoluments):			
– Salaries and other benefits	6,464,134	7,320,341	10,142,959
– Retirement benefits scheme contributions	315,914	357,143	529,483
– Share-based payment expenses	110,743	90,279	98,416
Auditors' remuneration	3,700	3,500	3,200
Listing expenses	–	–	474
Short-term leases with application of recognition exemption	89,149	97,873	141,226

13. INCOME TAX EXPENSES

The amount of income tax expense/(credit) in the audited consolidated statement of profit or loss and other comprehensive income represents:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
– Tax for the year	227,696	138,533	341,966
– Under/(over) provision in respect of prior year	(8,331)	1,028	66,327
Deferred tax *(Note 24)*	(41,158)	(18,848)	(63,935)
Total income tax expenses	178,207	120,713	344,358

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the standard EIT rate of the PRC subsidiaries is 25%. The Company was approved as "High and New Technology Enterprise" by the relevant government authorities and was subject to a preferential rate of 15% for the years ended December 31, 2023, 2024 and 2025. The Company was awarded as "key software enterprise" by the relevant government authorities and was subject to a preferential rate of 10% for the year ended December 31, 2024. For PRC subsidiaries approved as "High and New Technology Enterprise" by the relevant government authorities, they are subject to a preferential rate of 15%.

A subsidiary of Group obtained "Software Enterprise Certificate" during the year ended December 31, 2025 and is exempted from enterprise income tax for the first and second years starting from its first profitable year. From the third to the fifth year, enterprise income tax is levied at half of the 25% statutory tax rate.

Pursuant to relevant laws and regulations in the PRC, certain subsidiaries of the Group are eligible as a Small Low-profit Enterprise and are subject to preferential tax treatments during the Track Record Period.

The Group entities incorporated in Hong Kong is subject to Hong Kong Profits Tax under the two-tiered profits tax rates regime. During the Track Record Period, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Group entities incorporated in the United State of America ("USA") is subject to Federal Corporate Tax and State Income Tax. The tax rate for Federal Income Tax at 21% during the Track Record Period. State Income Tax is assessed based on the taxable income of each subsidiary in their respective states and states where sales occur, with tax rates at 8.84% depending on the state.

The Group entities incorporated in India, Singapore and Japan are subject to the tax rates at 25.168%, 17% and 23.20%, respectively, during the Track Record Period.

The Group entities incorporated in Vietnam are subject to the standard corporate income tax rate of 20%, while eligible new investment projects qualify for a preferential tax scheme of "2-year tax exemption followed by 4-year 50% reduction (effective rate: 10%)" starting from their first profitable year, with the standard 20% rate applying after the incentive period.

Pursuant to the rules and regulations of the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the BVI.

The income tax expenses for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	2,835,217	3,037,064	4,475,933
Tax at the applicable tax rate of 15%	425,282	455,560	671,390
Effects of different tax rates applicable to different subsidiaries of the Group	62,368	128,167	21,337
(Over)/under provision of taxation in prior years	(8,331)	1,028	66,327
Tax effect of income that is not taxable for tax purposes	(37,669)	(64,072)	(60,691)
Share of results of associates	17,542	3,674	(7,743)
Tax effect of expenses that are not deductible for tax purposes	28,774	18,062	10,944
Tax effect of utilisation of tax losses	(4,667)	(59,348)	(60,896)
Tax effect of temporary difference not recognized	90,951	72,913	124,875
Tax effect of additional tax deduction for eligible research and development expenses	(410,663)	(430,634)	(471,066)
Pillar Two income taxes *(Note (a))*	–	–	48,527
Effect of change on tax rate on deferred tax assets and deferred tax liabilities	14,620	(4,637)	1,354
Income tax expenses	178,207	120,713	344,358

(a) Pillar Two income taxes

Effective January 1, 2025, the Hong Kong jurisdictions in which the Group operates, implemented the Pillar Two rules as issued by the Organization for Economic Co-operation and Development (OECD). These rules introduce a 15% minimum effective tax rate under the Global Anti-Base Erosion (GloBE) framework. Where the jurisdictional GloBE effective tax rate falls below the minimum, a top-up tax is levied to bridge the difference. For the year ended December 31, 2025, the Group estimated a top-up tax of RMB48.5 million, and recognized the amount as current tax expense. In line with the temporary mandatory exception, the Group has not recognized or disclosed deferred tax assets and liabilities related to Pillar Two taxes.

(b) Tax losses

As of December 31, 2023, 2024 and 2025, the Group did not recognize deferred tax assets in respect of losses of RMB999 million, RMB1,265 million and RMB2,205 million, respectively.

The tax losses incurred from certain subsidiaries that are not recognized as deferred tax assets will expire from 2024 to 2035. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2024	2,770	–	–
2025	4,641	561	–
2026	27,962	7,210	94,196
2027	136,878	152,310	228,984
2028	392,209	206,637	286,204
2029	–	299,465	219,504
2030	–	2,739	326,966
2031	–	3,090	–
2032	333,545	316,727	165,574
2033	100,826	103,465	96,456
2034	–	172,860	250,572
2035	–	–	536,612
Total	998,831	1,265,064	2,205,068

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the emoluments paid or payable to the directors and supervisors of the Company for the services provided to the Group during the Track Record Period are as follows:

Year ended December 31, 2023

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors					
Qiu Wensheng	–	2,580	–	134	2,714

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cui Guopeng	–	2,327	–	134	2,461
Deng Zhiguo *(ii)*	–	344	–	17	361
Wu Zhenhai	–	2,210	–	134	2,344
Chen Xiaorong	–	2,358	–	134	2,492
Xi Pinghua	–	2,383	–	134	2,517
Zou Zongxin *(i)*	–	2,312	–	118	2,430
Independent non-executive directors					
Jiao Jie *(iii)*	80	–	–	–	80
Hu Saixiong	80	–	–	–	80
Huang Zhiguo	80	–	–	–	80
Supervisors:					
Cai Jianmin	–	–	–	–	–
Yi Weijia	–	–	–	–	–
Zhang Haibing	–	507	–	44	551
	240	15,021	–	849	16,110

Year ended December 31, 2024

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Qiu Wensheng	–	3,098	–	136	3,234
Cui Guopeng	–	2,482	–	136	2,618
Deng Zhiguo *(ii)*	–	3,384	–	136	3,520
Wu Zhenhai	–	2,482	–	136	2,618
Chen Xiaorong	–	2,478	–	136	2,614
Xi Pinghua	–	2,409	–	136	2,545
Independent non-executive directors					
Jiao Jie *(iii)*	80	–	–	–	80
Hu Saixiong	80	–	–	–	80
Huang Zhiguo	80	–	–	–	80
Supervisors:					
Cai Jianmin	–	–	–	–	–
Yi Weijia	–	–	–	–	–
Zhang Haibing	–	528	–	43	571
	240	16,861	–	859	17,960

Year ended December 31, 2025

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Qiu Wensheng	–	3,214	–	136	3,350
Cui Guopeng	–	2,484	–	136	2,620
Deng Zhiguo *(ii)*	–	3,824	–	136	3,960
Wu Zhenhai	–	2,600	–	136	2,736
Chen Xiaorong	–	2,605	–	136	2,741
Xi Pinghua	–	2,104	861	136	3,101
Independent non-executive directors					
Jia Jie *(iii)*	–	–	–	–	–
Hu Saixiong	193	–	–	–	193
Huang Zhiguo	193	–	–	–	193
Yu Fang *(iv)*	193	–	–	–	193
Supervisors:					
Cai Jianmin	–	–	–	–	–
Yi Weijia	–	–	–	–	–
Zhang Haibing	–	335	–	29	364
	579	17,166	861	845	19,451

Notes:

(i) Zou Zongxin resigned as an executive director of the Company and appointed as a deputy general manager of the Company on November 16, 2023.

(ii) Deng Zhiguo was appointed as an executive director of the Company on November 16, 2023.

(iii) Jiao Jie resigned as an independent non-executive director of the Company on January 17, 2025.

(iv) Yu Fang was appointed as an independent non-executive director of the Company on January 27, 2025.

(v) On August 22, 2025, the Company convened the 18th meeting of the second Board of Directors, which adopted the proposal to discontinue the Supervisory Committee, with its functions and powers to be exercised by the Audit Committee thereafter. On September 10, 2025, the proposal was approved by the Shareholders' meeting and accordingly, Mr. Cai Jianmin, Mr. Yi Weijia, and Mr. Zhang Haibing ceased to serve as supervisors of the Company.

15. FIVE HIGHEST PAID INDIVIDUALS

None of the five individuals with the highest emoluments in the Group during the Track Record Period were directors and supervisors. Details of the remuneration for the highest paid individual during the years ended December 31, 2023, 2024 and 2025, respectively, are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonus and other allowance	13,704	14,484	16,113
Share-based payment	16,054	8,839	9,156
Social security costs and housing benefits	620	640	680
	30,378	23,963	25,949

The number of non-director and non-supervisors highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended December 31,		
	2023	2024	2025
Nil to HKD2,000,000	–	–	–
HKD2,000,001 to HKD2,500,000	–	–	–
HKD2,500,001 to HKD3,000,000	–	–	–
HKD3,000,001 to HKD3,500,000	–	–	–
HKD3,500,001 to HKD4,500,000	–	–	1
HKD4,500,001 to HKD5,500,000	–	3	2
HKD5,500,001 to HKD6,000,000	–	1	–
HKD6,000,001 to HKD6,500,000	2	1	–
HKD6,500,001 to HKD7,000,000	1	–	2
HKD7,000,001 to HKD7,500,000	2	–	–
	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company have waived any emoluments during the Track Record Period.

16. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of the basic and diluted earnings per share attribute to owners of the Company is based on the following data:

(a) Basic

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for restricted share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

Earnings:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to owners of the Company	2,708,451	2,928,940	4,081,338
Less: Dividends payable to expected vested restricted shares	–	(1,859)	(3,168)
Earnings for the purpose of calculating basic earnings per share	2,708,451	2,927,081	4,078,170

Number of shares:

	Year ended December 31,		
	2023	2024	2025
	thousands shares	*thousands shares*	*thousands shares*
Weighted average number of ordinary shares in issue excluding treasury shares held for share award scheme *(note)*	954,200	1,010,457	1,008,357
Basic EPS (RMB per share)	2.84	2.90	4.04

Note:

Treasury shares were excluded in calculating the weighted average number of ordinary shares for the purpose of basic earnings per share.

In June 2024, the Company adopted stock dividend by issuing 4 shares per 10 shares to all shareholders of the Company, and the earnings per share was calculated as if the stock dividend occurred at the beginning of the earliest period presented.

(b) Diluted

The restricted shares granted under the restricted share scheme in 2023 and 2025 have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares.

Earnings:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to owners of the Company	2,708,451	2,928,940	4,081,338

Number of shares:

	Year ended December 31,		
	2023	2024	2025
	thousands shares	*thousands shares*	*thousands shares*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per shares	954,200	1,010,457	1,008,357
Effect of restricted shares	–	672	1,291
Weighted average number of ordinary shares for the purpose of calculating diluted EPS	954,200	1,011,129	1,009,648
Diluted EPS (RMB per share)	2.84	2.90	4.04

17. DIVIDENDS

During the Track Record Period, the board of directors declared the final dividend as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Final dividend proposed after the end of the reporting period	869,032	911,630	1,215,846
Dividend per share in RMB	1.2	0.9	1.2

The final dividend proposed after the end of each of the Track Record Period has not been recognized as a liability at the end of each of the Track Record Period.

18. INVESTMENTS IN SUBSIDIARIES

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Investments in subsidiaries			
– Unlisted shares, at cost	5,430,145	6,538,457	6,589,145

The amounts due from/(to) subsidiaries were unsecured, repayable on demand and interest-free.

The Company had direct and indirect equity interests in the following principal subsidiaries during the Track Record Period:

Name of subsidiaries	Date and place of incorporation/ establishment	Authorized shares capital/ registered capital	December 31, 2023		December 31, 2024		December 31, 2025		Principal business activities
			Direct %	*Indirect %*	*Direct %*	*Indirect %*	*Direct %*	*Indirect %*	
東莞華貝電子科技有限公司 Dongguan Huabei Electronic Technology Co., Ltd. *(i) (ii) (v)*	2010/2/2, Chinese Mainland	RMB900,000,000	72.22	27.78	72.22	27.78	72.22	27.78	Manufacturing of electronic devices
Huaqin Telecom Hong Kong Limited ("Huaqin Hongkong") *(iii)*	2006/6/8, Hong Kong China	HKD784,137,190	–	100	–	100	–	100	Trading
南昌華勤電子科技有限公司 Nanchang HuaQin Electronic Technology Co., Ltd. *(i) (ii) (v)*	2017/4/21, Chinese Mainland	RMB2,041,000,000	100	–	100	–	100	–	Manufacturing of electronic devices
南昌勤勝電子科技有限公司 Nanchang QinSheng Electronic Technology Co., Ltd. *(i) (ii) (vi)*	2018/11/30, Chinese Mainland	RMB1,000,000,000	100	–	100	–	100	–	Manufacturing of electronic devices
廣東遠圖未來科技有限公司 EVEX TECHNOLOGY CO., LTD. *(i) (ii) (vi)*	2019/12/11, Chinese Mainland	RMB800,000,000	100	–	100	–	75	–	Manufacturing of electronic devices
RQ Technology Electronics Vietnam Company Limited *(iv)*	2023/8/21, Vietnam	USD19,500,000	–	100	–	100	–	100	Manufacturing of electronic devices
廣東瑞勤科技有限公司 Guangdong Ruiqin Technology Co., Ltd. *(i) (ii) (vi)*	2020/4/20, Chinese Mainland	RMB500,000,000	100	–	100	–	100	–	Manufacturing of electronic devices

Note:

(i) The English names of the subsidiaries registered in the Chinese Mainland represent the best efforts made by management of the Company to translate their Chinese names as they do not have official English names.

(ii) A limited liability company operating in the Chinese Mainland.

(iii) The statutory financial statements of this subsidiary for the years ended December 31, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable in Hong Kong and were audited by SBC CPA Limited.

(iv) The statutory financial statements of this subsidiary for the years ended December 31, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable in the Vietnam and were audited by Công ty TNHH Kiêm toán và Tu' vân Bình An.

(v) The statutory financial statements of these subsidiaries for the years ended December 31, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable in the PRC and were audited by Moore Stephens Da Hua Certified Public Accountants LLP and BDO China Shu Lun Pan Certified Public Accountants LLP, respectively.

(vi) The statutory financial statements of these subsidiaries for the years ended December 31, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable in the PRC and were audited by Shanghai Hua Ding Accountants Limited and BDO China Shu Lun Pan Certified Public Accountants LLP, respectively.

19. INVESTMENTS IN ASSOCIATES

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
At the beginning of the year	1,233,466	1,147,364	1,648,298
Additions	102,646	795,455	2,495,141
Disposals	(9,449)	(144,582)	(1,266)
Share of (loss)/income of associates, net	(66,876)	(102,753)	52,929
Share of other comprehensive income/(loss) of associates, net	2,287	(21,468)	(6,608)
Gains on deemed disposal of investments in associates	1,574	2,720	27,046
Dividends	(8,766)	(10,083)	(62,634)
Impairment provisions, net	(112,263)	(36,652)	–
Exchange difference	6,271	16,892	(21,302)
Others	(1,526)	1,405	30,223
	1,147,364	1,648,298	4,161,827

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
At the beginning of the year	–	–	–
Additions	–	–	2,393,100
Share of income of an associate	–	–	19,336
Share of other comprehensive income of an associate	–	–	7,807
Others	–	–	4,739
	–	–	2,424,982

Investments in an associate of the Company included the investment in Nexchip Semiconductor Corporation.

Nexchip Semiconductor Corporation ("Nexchip") which is considered as a material associate of the Group, is engaged in the integrated circuit production, and is accounted for using the equity method.

Particulars of the associate are as follow:

Name	Place of registration and business	Percentage of ownership interest attributable to the Group
Nexchip Semiconductor Corporation*	Chinese Mainland	6%

* Management has assessed the level of influence that the Company exercises on the associate and determined that it has significant influence through the board representation, even though the respective shareholding of the investment is below 20%. Accordingly, the investment has been classified as associate.

Summarized financial information in respect of Nexchip, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements at the end of the reporting period is as follows:

	As of December 31, 2025/ From acquisition date (August 27, 2025) to December 31, 2025
Current assets	7,544,725
Non-current assets	45,753,537
Current liabilities	5,261,432
Non-current liabilities	19,948,848
Net assets	28,087,982
Net assets attributed to the owners of Nexchip	21,760,507
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	6%
Group's share of net assets of the associate	1,304,673
Goodwill	1,120,309
Carrying amount of the investment	2,424,982
Fair value of the Group's investment based on quoted market price	3,995,018
Revenue	3,862,698
Profit for the period	222,606
Other comprehensive income	193,189
Total comprehensive income for the period	415,795

Aggregate information of associates that are not individually material:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates	1,147,364	1,648,298	1,736,845

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share of (loss)/income and other comprehensive (loss)/income of associates	(64,589)	(124,221)	46,321

20. PROPERTY, PLANT AND EQUIPMENT

	Property, Buildings and Self-owned land	Machinery	Furniture, fixtures and equipment	Transportation vehicle	Decoration and Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group							
Cost							
As of January 1, 2023	2,677,230	3,838,212	540,384	24,542	317,370	1,858,326	9,256,064
Additions	–	189,765	94,989	3,843	57,144	1,034,687	1,380,428
Transfer from CIP to other property, plant and equipment, net	1,515,300	320,767	16,544	757	68,871	(1,922,239)	–
Disposals	–	(82,388)	(21,672)	(1,113)	(170)	–	(105,343)
Exchange difference	–	85	(5)	(4)	–	–	76
As of December 31, 2023 and January 1, 2024	4,192,530	4,266,441	630,240	28,025	443,215	970,774	10,531,225
Additions	934	214,777	61,008	6,711	49,339	1,578,615	1,911,384
Acquisition of subsidiaries	441,850	1,011,611	259,948	13,987	11,767	22,959	1,762,122

	Property, Buildings and Self-owned land	Machinery	Furniture, fixtures and equipment	Transportation vehicle	Decoration and Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Transfer from CIP to other property, plant and equipment, net	9,640	710,250	45,201	12,186	35,354	(812,631)	–
Disposals	–	(59,929)	(21,429)	(2,103)	(4,907)	–	(88,368)
Exchange difference	(379)	16	(255)	17	–	–	(601)
As of December 31, 2024 and January 1, 2025	4,644,575	6,143,166	974,713	58,823	534,768	1,759,717	14,115,762
Additions	–	637,770	190,974	3,586	129,874	2,008,702	2,970,906
Acquisition of subsidiaries	2,053,868	112,171	16,675	120	10,355	–	2,193,189
Transfer from CIP to other property, plant and equipment, net	1,333,334	1,495,643	26,930	9,865	86,884	(2,952,656)	–
Disposals	–	(86,828)	(35,105)	(1,078)	(13,130)	(16,856)	(152,997)
Exchange difference	1,687	(16,061)	(571)	(236)	(229)	(1,193)	(16,603)
As of December 31, 2025	8,033,464	8,285,861	1,173,616	71,080	748,522	797,714	19,110,257
Accumulated Depreciation							
As of January 1, 2023	350,752	1,168,890	299,587	16,465	133,336	–	1,969,030
Charge for the year	160,144	541,999	131,112	2,592	75,649	–	911,496
Written back on disposal	–	(44,431)	(19,872)	(943)	(170)	–	(65,416)
Exchange difference	–	113	1	–	–	–	114
As of December 31, 2023 and January 1, 2024	510,896	1,666,571	410,828	18,114	208,815	–	2,815,224
Charge for the year	202,499	600,892	118,231	6,208	92,947	–	1,020,777
Charged through acquisition of subsidiaries	49,260	430,747	197,062	6,822	–	–	683,891
Written back on disposal	–	(37,160)	(19,784)	(1,616)	(573)	–	(59,133)
Exchange difference	(28)	(259)	(43)	6	–	–	(324)
As of December 31, 2024 and January 1, 2025	762,627	2,660,791	706,294	29,534	301,189	–	4,460,435
Charge for the year	269,667	773,569	115,406	10,607	109,846	–	1,279,095
Charged through acquisition of subsidiaries	175,603	61,864	11,302	44	73	–	248,886
Written back on disposal	–	(50,743)	(28,405)	(990)	(12,141)	–	(92,279)
Exchange difference	905	(4,615)	(111)	(82)	195	–	(3,708)
As of December 31, 2025	1,208,802	3,440,866	804,486	39,113	399,162	–	5,892,429
Accumulated Impairment							
As of January 1, 2023, December 31, 2023 and January 1, 2024	–	–	–	–	–	–	–
Acquisition of subsidiaries	–	1,283	9	–	–	–	1,292
Written back on disposal	–	(7)	–	–	–	–	(7)
As of December 31, 2024 and January 1, 2025	–	1,276	9	–	–	–	1,285
Written back on disposal	–	(16)	(1)	–	–	–	(17)
As of December 31, 2025	–	1,260	8	–	–	–	1,268
Net book value							
As of December 31, 2023	3,681,634	2,599,870	219,412	9,911	234,400	970,774	7,716,001
As of December 31, 2024	3,881,948	3,481,099	268,410	29,289	233,579	1,759,717	9,654,042
As of December 31, 2025	6,824,662	4,843,735	369,122	31,967	349,360	797,714	13,216,560

	Property and buildings	Machinery	Furniture, fixtures and equipment	Transportation vehicle	Decoration and Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Company						
Cost						
As of January 1, 2023	247,664	287,493	143,215	10,005	35,816	724,193
Additions	–	37,965	32,050	509	2,758	73,282
Disposals	–	(583)	(5,401)	(787)	–	(6,771)
As of December 31, 2023 and January 1, 2024	247,664	324,875	169,864	9,727	38,574	790,704
Additions	–	23,057	16,973	2,689	543	43,262
Transferred from construction in progress	–	–	–	–	187	187
Disposals	–	(48,375)	(16,365)	(1,806)	–	(66,546)
As of December 31, 2024 and January 1, 2025	247,664	299,557	170,472	10,610	39,304	767,607
Additions	–	25,202	39,168	2,127	298	66,795
Disposals	–	(4,717)	(11,777)	(422)	–	(16,916)
As of December 31, 2025	247,664	320,042	197,863	12,315	39,602	817,486
Accumulated Depreciation						
As of January 1, 2023	134,878	125,084	78,894	8,689	12,903	360,448
Charge for the year	11,764	57,970	34,523	442	7,211	111,910
Written back on disposal	–	(555)	(4,983)	(748)	–	(6,286)
As of December 31, 2023 and January 1, 2024	146,642	182,499	108,434	8,383	20,114	466,072
Charge for the year	11,764	53,916	28,790	685	16,291	111,446
Written back on disposal	–	(32,482)	(14,082)	(1,339)	–	(47,903)
As of December 31, 2024 and January 1, 2025	158,406	203,933	123,142	7,729	36,405	529,615
Charge for the year	11,764	39,873	22,695	1,334	1,710	77,376
Written back on disposal	–	(3,694)	(10,220)	(391)	–	(14,305)
As of December 31, 2025	170,170	240,112	135,617	8,672	38,115	592,686
Net book value						
As of December 31, 2023	101,022	142,376	61,430	1,344	18,460	324,632
As of December 31, 2024	89,258	95,624	47,330	2,881	2,899	237,992
As of December 31, 2025	77,494	79,930	62,246	3,643	1,487	224,800

21. INTANGIBLE ASSETS

	Patent	Software	Customer relationship *(note)*	Non-patented technology	Development costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Group						
Cost						
As of January 1, 2023	3,111	170,922	–	–	–	174,033
Additions	–	71,275	–	–	–	71,275
As of December 31, 2023 and January 1, 2024	3,111	242,197	–	–	–	245,308
Additions	–	83,950	–	–	15,785	99,735
Transfer from development costs to intangible assets	–	–	–	3,051	(3,051)	–
Acquisition of subsidiaries *(Note 39)*	119,719	14,430	340,000	–	–	474,149
Disposals	–	(228)	–	–	–	(228)
Exchange difference	4	473	–	–	–	477
As of December 31, 2024 and January 1, 2025	122,834	340,822	340,000	3,051	12,734	819,441
Addition	1,206	77,325	–	–	13,492	92,023
Transfer from development costs to intangible assets	–	–	–	15,820	(15,820)	–

	Patent	Software	Customer relationship *(note)*	Non-patented technology	Development costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Acquisition of subsidiaries *(Note 39)*	32,226	928	49,616	–	–	82,770
Disposals	–	(971)	–	–	–	(971)
Exchange difference	(33)	(1,037)	896	–	–	(174)
As of December 31, 2025	156,233	417,067	390,512	18,871	10,406	993,089
Amortization						
As of January 1, 2023	224	78,773	–	–	–	78,997
Amortization for the year	384	45,705	–	–	–	46,089
As of December 31, 2023 and January 1, 2024	608	124,478	–	–	–	125,086
Amortization for the year	5,975	62,713	2,810	–	–	71,498
Charged through acquisition of subsidiaries	1,338	5,832	–	–	–	7,170
Exchange difference	4	168	–	–	–	172
As of December 31, 2024 and January 1, 2025	7,925	193,191	2,810	–	–	203,926
Amortization for the year	28,933	69,926	34,554	2,983	–	136,396
Charged through acquisition of subsidiaries	–	372	–	–	–	372
Disposal – written back	–	(906)	–	–	–	(906)
Exchange difference	(32)	(548)	7	–	–	(573)
As of December 31, 2025	36,826	262,035	37,371	2,983	–	339,215
Net book value						
As of December 31, 2023	2,503	117,719	–	–	–	120,222
As of December 31, 2024	114,909	147,631	337,190	3,051	12,734	615,515
As of December 31, 2025	119,407	155,032	353,141	15,888	10,406	653,874

Note: Such intangible assets arose from the acquisition of Innovation Enterprises Holdings Limited (易路達企業控股有限公司) ("Innovation Enterprises") in December 2024 and Plamex, S.A de C.V. ("Plamex") in November 2025 based on the valuation prepared by independent external valuers adopting the multi-period excess earnings method under the income approach, respectively. The intangible assets were evaluated based on Innovation Enterprises's and Plamex's Core Customers preceding the acquisition. As of the dates of the valuation, the relationships between Innovation Enterprises, Plamex and their Core Customers have been well-established, strong and achieved through track records of quality product deliveries, respectively. These intangible assets enable Innovation Enterprises and Plamex to have stable source of revenue and also provide a solid foundation for business growth and development, respectively.

	Software	Non-patented technology	Development costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Company				
As of January 1, 2023	144,082	–	–	144,082
Additions	53,834	–	–	53,834
As of December 31, 2023 and January 1, 2024	197,916	–	–	197,916
Additions	40,222	–	15,785	56,007
Transfer from development costs to intangible assets	–	3,051	(3,051)	–
Disposals	(175)	–	–	(175)
As of December 31, 2024 and January 1, 2025	237,963	3,051	12,734	253,748
Addition	41,166	–	13,492	54,658
Transfer from development costs to intangible assets	–	15,820	(15,820)	–
As of December 31, 2025	279,129	18,871	10,406	308,406

	Software	Non-patented technology	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Amortization				
As of January 1, 2023	70,201	–	–	70,201
Amortization for the year	33,293	–	–	33,293
As of December 31, 2023 and January 1, 2024	103,494	–	–	103,494
Amortization for the year	38,600	–	–	38,600
Disposals – written back	(14)	–	–	(14)
As of December 31, 2024 and January 1, 2025	142,080	–	–	142,080
Amortization for the year	42,932	2,983	–	45,915
As of December 31, 2025	185,012	2,983	–	187,995
Net book value				
As of December 31, 2023	94,422	–	–	94,422
As of December 31, 2024	95,883	3,051	12,734	111,668
As of December 31, 2025	94,117	15,888	10,406	120,411

22. RIGHT-OF-USE ASSETS

Details of the right-of-use assets recognized and movements during the years:

Group

	Land use rights	Other properties leased for own use	Total
	RMB'000	RMB'000	RMB'000
Costs			
As of January 1, 2023	1,135,246	263,854	1,399,100
Additions	42	297,476	297,518
Lease termination	–	(28,148)	(28,148)
Exchange difference	–	(333)	(333)
As of December 31, 2023 and January 1, 2024	1,135,288	532,849	1,668,137
Additions	21,836	177,979	199,815
Lease termination	–	(101,000)	(101,000)
Acquisition of subsidiaries	139,934	434,429	574,363
Lease modification	–	(4,756)	(4,756)
Exchange difference	(89)	(2,727)	(2,816)
As of December 31, 2024 and January 1, 2025	1,296,969	1,036,774	2,333,743
Additions	22,075	329,611	351,686
Lease termination	–	(275,051)	(275,051)
Acquisition of subsidiaries *(Note 39)*	100,448	10,273	110,721
Exchange difference	(1,745)	(4,470)	(6,215)
As of December 31, 2025	1,417,747	1,097,137	2,514,884
Depreciation			
As of January 1, 2023	54,384	95,385	149,769
Depreciation	22,159	115,950	138,109
Eliminated on lease termination	–	(19,646)	(19,646)
Exchange difference	–	1	1
As of December 31, 2023 and January 1, 2024	76,543	191,690	268,233
Depreciation	23,488	136,621	160,109
Charged through acquisition of subsidiaries	8,534	233,007	241,541
Eliminated on lease termination	–	(101,000)	(101,000)
Exchange difference	(5)	(289)	(294)
As of December 31, 2024 and January 1, 2025	108,560	460,029	568,589
Depreciation	29,703	220,650	250,353
Charged through acquisition of subsidiaries	4,774	5,462	10,236

	Land use rights	Other properties leased for own use	Total
	RMB'000	*RMB'000*	*RMB'000*
Eliminated on lease termination	–	(218,011)	(218,011)
Exchange difference	(96)	(900)	(996)
As of December 31, 2025	142,941	467,230	610,171
Carrying amounts			
As of December 31, 2023	1,058,745	341,159	1,399,904
As of December 31, 2024	1,188,409	576,745	1,765,154
As of December 31, 2025	1,274,806	629,907	1,904,713

Company

	Other properties leased for own use
	RMB'000
Costs	
As of January 1, 2023, December 31, 2023, and January 1, 2024	85,865
Lease termination	(85,865)
As of December 31, 2024, January 1, 2025, and December 31, 2025	–
Depreciation	
As of January 1, 2023	20,147
Depreciation	39,656
As of December 31, 2023, and January 1, 2024	59,803
Depreciation	26,062
Eliminated on lease termination	(85,865)
As of December 31, 2024, January 1, 2025, and December 31, 2025	–
Carrying amounts	
As of December 31, 2023	26,062
As of December 31, 2024	–
As of December 31, 2025	–

For the years ended December 31, 2023, 2024 and 2025, the Group leases various office premises and machinery for its operations. Lease contracts are entered into for fixed term of ranging from 1 year to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable year, the Group applies the definition of a contract and determines the year for which the contract is enforceable. The land use rights of the Group and the Company are depreciated on a straight-line basis over the term of the lease from 40 to 50 years.

23. GOODWILL

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Cost			
At the beginning of the year	599	599	1,331,868
Acquisition of subsidiaries	–	1,327,309	100,256
Exchange difference	–	3,960	(29,041)
At the end of the year	599	1,331,868	1,403,083
Impairment			
At the beginning of the year	–	–	–
Impairment loss recognized *(Note a)*	–	–	(26,782)
At the end of the year	–	–	(26,782)
Carrying value			
At the end of the year	599	1,331,868	1,376,301

Goodwill acquired through business combinations is allocated to the following CGUs for impairment testing:

- Innovation Enterprises CGU
- 南昌春勤精密技術有限公司 Nanchang Chunqin Precision Technology Co., LTD. ("Nanchang Chunqin") CGU
- 西安益駕智能科技有限公司 Xi an Egar Intelligent Technology Co., Ltd. ("Xi an Egar") CGU
- 東莞華譽精密技術有限公司 DONGGUAN HUAYU PRECISION TECHNOLOGY CO. LTD. ("DONGGUAN HUAYU") CGU
- 深圳昊勤機器人科技有限公司 (formerly known as 深圳豪成智能科技有限公司) Shenzhen Haocheng Intelligent Technology Co., Ltd.. ("Shenzhen Haocheng") CGU
- Plamex CGU

In addition to goodwill, property, plant and equipment, right-of-use assets and intangible assets that generate cash flows together with the related goodwill are included in the respective CGUs for the purpose of impairment assessment.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

The Group

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Innovation Enterprises CGU	–	1,159,625	1,131,049
Nanchang Chunqin CGU	–	124,674	124,674
Xi an Egar CGU	–	46,970	20,188
Dongguan Huayu CGU	599	599	599
Shenzhen Haocheng CGU	–	–	44,613
Plamex CGU	–	–	55,178
	599	1,331,868	1,376,301

The recoverable amount of the above CGUs have been determined based on value-in-use calculations using cash flow projections. Assumptions were used in the value-in-use calculations of the above CGUs as of December 31, 2023, 2024 and 2025.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

The cash flow projections were based on financial budgets covering a period approved by management as follows:

Innovation Enterprises CGU	5 years
Nanchang Chunqin CGU	5 years
Xi an Egar CGU	5 years
Shenzhen Haocheng CGU	5 years
Plamex CGU	5 years

The cash flow projections beyond the 5-year period are extrapolated using growth rates as follows:

	As of December 31,		
	2023	2024	2025
	%	%	%
Innovation Enterprises CGU	N/A	2	2
Nanchang Chunqin CGU	N/A	–	–
Xi an Egar CGU	N/A	–	–
Shenzhen Haocheng CGU	N/A	N/A	–
Plamex CGU	N/A	N/A	–

The discount rates applied to the cash flow projections are as follows:

	As of December 31,		
	2023	2024	2025
	%	%	%
Innovation Enterprises CGU	N/A	11.90	12.48
Nanchang Chunqin CGU	N/A	10.77	11.52
Xi an Egar CGU	N/A	11.59	11.96
Shenzhen Haocheng CGU	N/A	N/A	11.64
Plamex CGU	N/A	N/A	18.68

The discount rates used are pre-tax and reflect specific risk relating to the relevant units.

Impairment review on the goodwill of the Group has been conducted by management as of December 31, 2023, 2024 and 2025 according to IAS 36 "Impairment of assets". The headroom measured by the excess of the recoverable amount over the carrying amount of the above CGUs are as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Innovation Enterprises CGU	N/A	54,106	77,901
Nanchang Chunqin CGU	N/A	3,749	4,331
Xi an Egar CGU	N/A	1,978	N/A
Shenzhen Haocheng CGU	N/A	N/A	8,420
Plamex CGU	N/A	N/A	151,872

Management have undertaken sensitivity analysis on the impairment test of Innovation Enterprises CGU, Nanchang Chunqin CGU, Xi an Egar CGU, Shenzhen Haocheng CGU and Plamex CGU. The following table sets forth the hypothetical percentage points of growth rate beyond five-year period and pre-tax discount rate that would, in isolation, have removed the remaining headroom respectively as of December 31, 2024 and 2025.

	As of December 31, 2024			As of December 31, 2025				
	Innovation Enterprises CGU	Nanchang Chunqin CGU	Xi an Egar CGU	Innovation Enterprises CGU	Nanchang Chunqin CGU	Xi an Egar CGU	Shenzhen Haocheng CGU	Plamex CGU
	%	%	%	%	%	%	%	%
Growth rate beyond five-year period	1.76	N/A	N/A	1.81	N/A	N/A	N/A	N/A
Pre-tax discount rate	12.07	10.83	11.82	12.73	11.58	N/A	11.80	23.91

The directors of the Company are of the view that, except for the Xi an Egar CGU, a reasonably possible change in a key parameter will not cause the carrying amount of the relevant CGUs to exceed the respective recoverable amounts as of December 31, 2024 and 2025.

Note a: As of December 31, 2025, the operating performance of Xi an Egar CGU has been materially below management's expectations. In response, management has initiated scale reductions as part of its adjustment measures. Therefore, the forecasted growth rate decreased and impairment of RMB26,782,000 was provided for Xi an Egar CGU.

24. DEFERRED TAXATION

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

Group

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	429,136	522,061	417,498
Deferred tax liabilities	(366,783)	(519,797)	(413,047)
	62,353	2,264	4,451

The movements in deferred tax assets and liabilities during the Track Record Period are as follows:

DEFERRED TAX ASSETS	Unused Tax Losses	Provision	Impairment allowance	Government Grants	Unrealized intercompany profits	Lease Liabilities	Share-based Payment	Fair value change	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2022 and January 1, 2023	163,175	30,905	38,238	45,663	2,793	45,143	–	146	326,063
Credited/(charged) to profit or loss	(28,058)	2,956	41,415	14,481	2,216	60,522	–	9,488	103,020
Credited/(charged) to other comprehensive income	–	–	–	–	–	–	–	17	17
Exchange difference	43	–	(1)	–	–	(6)	–	–	36

DEFERRED TAX ASSETS	Unused Tax Losses	Provision	Impairment allowance	Government Grants	Unrealized intercompany profits	Lease Liabilities	Share-based Payment	Fair value change	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2023 and January 1, 2024	135,160	33,861	79,652	60,144	5,009	105,659	–	9,651	429,136
Credited/(charged) to profit or loss	19,973	(1,760)	(18,300)	(4,385)	3,930	(29,238)	2,011	28,698	929
Credited/(charged) to other comprehensive income	–	–	–	–	–	–	–	(17)	(17)
Movement through business combinations	24,643	–	4,194	–	5,081	56,517	–	–	90,435
Credited to reserve	–	–	–	–	–	–	1,375	–	1,375
Exchange difference	(58)	–	292	–	(24)	(7)	–	–	203
As of December 31, 2024 and January 1 2025	179,718	32,101	65,838	55,759	13,996	132,931	3,386	38,332	522,061
Credited/(charged) to profit or loss	23,142	43,649	18,643	16,974	(1,770)	(43,182)	3,847	(5,462)	55,841
Credited to other comprehensive income	–	–	–	–	–	–	–	1,970	1,970
Movement through acquisition of subsidiaries	–	18,554	–	–	–	3,688	–	–	22,242
Credited to reserve	–	–	–	–	–	–	673	–	673
Exchange difference	–	–	1	–	17	2	–	26	46
As of December 31, 2025	202,860	94,304	84,482	72,733	12,243	93,439	7,906	34,866	602,833

Note: As of December 31, 2023, 2024 and 2025, the Group had unused tax losses of approximately RMB999 million, RMB1,265 million and RMB2,205 million respectively, available to offset against future profits, and had not been recognized as of December 31, 2023, 2024 and 2025, respectively, due to the unpredictability of future profit streams.

DEFERRED TAX LIABILITIES	Change in fair value	Accelerated depreciation of fixed assets	Right-of-use asset	Appraisal increment of assets in business combinations under non-common control	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2022 and January 1, 2023	271,326	2,292	31,303	–	–	304,921
(Credited)/charged to profit or loss	16,940	(553)	45,475	–	–	61,862
As of December 31, 2023 and January 1, 2024	288,266	1,739	76,778	–	–	366,783
(Credited)/charged to profit or loss	10,265	(457)	(15,402)	(12,325)	–	(17,919)
(Credited)/charged to other comprehensive income	1,118	–	–	–	–	1,118
Movement through business combinations	–	–	47,506	122,309	–	169,815
As of December 31, 2024 and January 1, 2025	299,649	1,282	108,882	109,984	–	519,797
(Credited)/charged to profit or loss	14,257	(513)	(25,457)	(7,687)	11,306	(8,094)
(Credited)/charged to other comprehensive income	5,843	–	–	–	–	5,843

DEFERRED TAX LIABILITIES	Change in fair value	Accelerated depreciation of fixed assets	Right-of-use asset	Appraisal increment of assets in business combinations under non-common control	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Movement through acquisition of subsidiaries	–	–	–	79,782	–	79,782
Exchange difference	–	–	–	1,054	–	1,054
As of December 31, 2025	319,749	769	83,425	183,133	11,306	598,382

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

Company

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	6,743	6,886	10,724
Deferred tax liabilities	(4,824)	(609)	(206)
	1,919	6,277	10,518

The movements in deferred tax assets and liabilities during the Track Record Period are as follows:

DEFERRED TAX ASSETS	Provision	Impairment allowance	Government Grants	Lease Liabilities	Share-based Payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2022 and January 1, 2023	409	141	870	10,234	–	11,654
Credited/(charged) to profit or loss	732	39	1,024	(10,234)	3,528	(4,911)
As of December 31, 2023 and January 1, 2024	1,141	180	1,894	–	3,528	6,743
Credited/(charged) to profit or loss	(1,107)	(1)	1,393	–	(1,517)	(1,232)
Credited/(charged) to reserve	–	–	–	–	1,375	1,375
As of December 31, 2024 and January 1, 2025	34	179	3,287	–	3,386	6,886
Credited/(charged) to profit or loss	(34)	(102)	(546)	–	3,847	3,165
Credited to reserve	–	–	–	–	673	673
As of December 31, 2025	–	77	2,741	–	7,906	10,724

DEFERRED TAX LIABILITIES	Change in fair value	Accelerated depreciation of fixed assets	Right-of-use asset	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2022 and January 1, 2023	–	788	9,857	10,645
Credited/(charged) to profit or loss	321	(194)	(5,948)	(5,821)
As of December 31, 2023 and January 1, 2024	321	594	3,909	4,824
Credited/(charged) to profit or loss	(112)	(194)	(3,909)	(4,215)

DEFERRED TAX LIABILITIES	Change in fair value	Accelerated depreciation of fixed assets	Right-of-use asset	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2024 and January 1, 2025	209	400	–	609
Credited to profit or loss	(209)	(194)	–	(403)
As of December 31, 2025	–	206	–	206

25. FINANCIAL ASSETS AT FVTOCI, FINANCIAL ASSETS AT FVTPL AND DERIVATIVE FINANCIAL INSTRUMENTS

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Financial assets			
Non-current assets			
Financial assets at FVTPL			
– Equity investments *(Note (i))*	2,502,062	2,462,646	2,687,906
Current assets			
Financial assets at FVTPL			
– Structured deposits and wealth management products *(Note (ii))*	2,188,115	824,431	452,316
– Equity investments *(Note (i))*	538,787	353,416	325,593
	2,726,902	1,177,847	777,909
Financial assets at FVTOCI			
– Note receivables measured at FVTOCI	49,682	24,691	331,229
Derivatives financial instruments			
– Derivatives financial instruments not under hedge accounting *(Note (iii))*	50,207	215,699	103,384
– Derivatives financial instruments under hedge accounting *(Note (iii))*	33,140	7,277	30,676
	83,347	222,976	134,060
Current liabilities			
Derivatives financial instruments			
– Derivatives financial instruments not under hedge accounting *(Note (iii))*	48,956	231,246	150,085
– Derivatives financial instruments under hedge accounting *(Note (iii))*	978	500	8,177
	49,934	231,746	158,262

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Financial assets			
Current assets			
Financial assets at FVTPL			
– Structured deposits and wealth management products	302,140	431,393	–

Notes:

(i) Equity investments

The equity investments are classified as non-current or current as the management expects to realize these financial assets after twelve months or within twelve months after each reporting period during the Track Record Period respectively.

(ii) Structured deposits and wealth management products

The Group purchased series of structured deposit and wealth management products from banks and other financial institutions in the PRC. The investments are yield enhancement deposits with expected but not guaranteed rates of return. The expected rates of return ranged from 1.15% to 4.51%, 0.85% to 3.45% and 1.50% to 1.95% per annum for the years ended December 31, 2023, 2024 and 2025, respectively, which were determined by reference to the returns of the underlying investments. The directors of the Company considered the structured deposits and wealth management products shall be classified as financial assets at FVTPL.

(iii) Derivative financial instruments

The nominal amounts and the fair values of the derivative financial instruments are set out below:

	As of December 31, 2023		
		Fair value	
	Notional amount	Assets	Liabilities
	USD'000	*RMB'000*	*RMB'000*
Derivatives under hedge accounting:			
Cash flow hedge – foreign currency forwards	618,680	33,140	978
Derivatives not under hedge accounting:			
Foreign currency option	450,000	–	5,679
Foreign currency forwards	(32,000)	50,207	43,277
	1,036,680	83,347	49,934

	As of December 31, 2024		
		Fair value	
	Notional amount	Assets	Liabilities
	USD'000	*RMB'000*	*RMB'000*
Derivatives under hedge accounting:			
Cash flow hedge – foreign currency forwards	300,000	7,277	500
Derivatives not under hedge accounting:			
Foreign currency forwards	980,000	215,699	231,246
	1,280,000	222,976	231,746

	As of December 31, 2025		
		Fair value	
	Notional amount	Assets	Liabilities
	USD'000	*RMB'000*	*RMB'000*
Derivatives under hedge accounting:			
Cash flow hedge – foreign currency forwards	335,605	30,676	8,177
Derivatives not under hedge accounting:			
Foreign currency forwards	1,677,000	103,384	150,085
	2,012,605	134,060	158,262

The Group enters into derivative financial instruments contracts with banks. Derivative financial instruments are mainly about foreign currency forward contracts and foreign currency options. The fair values of derivative financial instruments are measured based on the valuation report obtained from banks.

Hedge accounting has been applied for foreign currency forwards that are assessed by the Group to be highly effective hedges.

The Group determines the economic relationship between the hedging instruments and the hedged items by matching the critical terms of foreign currency forwards contracts with the terms of trade receivable and trade payable contract (i.e., notional amount and expected payment date). The hedge ratio (the ratio between the notional amount of the derivatives to the par value of the trade receivable and trade payable) is determined to be 1:1. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The potential sources of ineffectiveness result from differences between the timing of the cash flows of the hedged item and hedging instrument and potential credit risk

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the trade receivables, trade payables and the hedging instruments; and
- Changes to the forecasted amounts of cash flows of hedged items and hedging instruments.

Note: For the years ended December 31, 2023, 2024, and 2025, the hedging losses of approximately RMB74,601,000, RMB26,520,000 and hedging gains of approximately RMB11,849,000, respectively, was recognized in other comprehensive income.

26. TRADE AND BILLS RECEIVABLE AND PREPAYMENT, DEPOSIT AND OTHER RECEIVABLES

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Trade receivables			
– Third parties	14,325,011	24,588,538	31,477,109
– Related parties *(Note (i))*	187,995	873,538	2,765,286
	14,513,006	25,462,076	34,242,395
Less: loss allowance for trade receivables	(146,246)	(52,666)	(62,722)
Sub-total	14,366,760	25,409,410	34,179,673
Bills receivables			
– Commercial	16,085	18,800	54,897
– Bank	34,787	78,826	134,159
	50,872	97,626	189,056
Less: loss allowance for bill receivables	(8)	(9)	(27)
Sub-total	50,864	97,617	189,029
Trade and bills receivables	14,417,624	25,507,027	34,368,702
Deposit and other receivables			
– Third parties *(Note (ii))*	1,748,568	3,374,012	4,915,365
– Related parties *(Note (i))*	530	5,282	9,081
	1,749,098	3,379,294	4,924,446
Less: loss allowance for other receivables	(20,835)	(17,726)	(17,749)
	1,728,263	3,361,568	4,906,697
Prepayments *(Note (iii))*			
– Current portion	41,649	122,441	176,167
– Non-current portion	78,290	212,852	513,653
	119,939	335,293	689,820

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Trade receivables			
– Third parties	365	216	–
– Related parties	1,818,915	1,647,964	1,727,753
	1,819,280	1,648,180	1,727,753
Less: loss allowance for trade receivables	–	(65)	–
Sub-total	1,819,280	1,648,115	1,727,753
Deposit and other receivables			
– Third parties	35,075	17,050	90,601
– Related parties	6,038,780	6,622,477	8,658,417
	6,073,855	6,639,527	8,749,018
Less: loss allowance for other receivables	(1,201)	(1,129)	(515)
	6,072,654	6,638,398	8,748,503
Prepayments			
– Current portion	3,191	5,547	28,041
– Non-current portion	14,214	15,628	19,895
	17,405	21,175	47,936

Notes:

(i) Details of the trade and other receivables due from related parties are set out in Note 46.

(ii) Other receivables from third parties mainly consist of value-added input tax credit.

(iii) Prepayments mainly represent the amounts paid for acquisition of property, plant and equipment and construction in progress.

The Group generally allows a credit period of generally 30 to 90 days to its customers. The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the respective revenue recognition dates, at the end of each financial period during the Track Record Period:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Within 1 year	14,419,895	25,418,531	34,179,126
1 to 2 years	1,065	4,476	24,828
2 to 3 years	11,582	910	513
Over 3 years	80,464	38,159	37,928
	14,513,006	25,462,076	34,242,395
Less: loss allowance for trade receivables	(146,246)	(52,666)	(62,722)
	14,366,760	25,409,410	34,179,673

Movements in lifetime ECL that have been recognized for trade receivables in accordance with the simplified approach set out in IFRS 9 for the years ended December 31, 2023, 2024 and 2025:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	98,031	146,246	52,666
Provided/(reversed)	44,389	(4,226)	10,543
Acquired through business combination	–	1,385	8
Exchange difference	3,826	882	(389)
Written-off	–	(91,621)	(106)
At the end of the year	146,246	52,666	62,722

The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the respective revenue recognition dates, at the end of each financial period during the Track Record Period:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Within 1 year	1,819,280	1,647,965	1,724,043
1 to 2 years	–	215	3,710
	1,819,280	1,648,180	1,727,753
Less: loss allowance for trade receivables	–	(65)	–
	1,819,280	1,648,115	1,727,753

Movement in lifetime ECL that has been recognized for trade receivables of the Company in accordance with the simplified approach set out in IFRS 9 for the years ended December 31, 2023, 2024 and 2025:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	15	–	65
(Reversed)/provided	(15)	65	(65)
At the end of year	–	65	–

27. CASH AND BANK BALANCES, RESTRICTED BANK DEPOSITS, CERTIFICATES OF DEPOSITS HELD AND TIME DEPOSITS

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Non-current asset			
Time deposit	1,243,573	1,441,448	526,304
Certificates of deposits held	738,673	421,383	–
	1,982,246	1,862,831	526,304
Current assets			
Time deposit	–	32,431	952,861
Cash and bank balances	10,230,638	11,425,180	10,270,248
Restricted bank deposits *(Note (i))*	2,505,212	2,216,458	3,720,326
Certificates of deposits held	–	640,118	434,260
	12,735,850	14,314,187	15,377,695
	14,718,096	16,177,018	15,903,999

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Current assets			
Cash and bank balances	1,757,710	1,041,470	439,591

Notes:

(i) During the Track Record Period, the restricted bank deposits mainly consist of bank acceptance bill deposits, factoring deposit and borrowing deposits.

28. INVENTORIES

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Raw materials	2,951,155	7,607,500	8,525,743
Outsourced processing materials	531,649	671,611	2,641,789
Work in progress	158,609	347,395	278,176
Finished goods	855,646	2,955,454	3,206,813
Goods in transit to customers	46,028	15,689	166,735
Less: provision for inventory impairment	(199,412)	(121,596)	(195,328)
Total	4,343,675	11,476,053	14,623,928

29. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Trade payables			
– Third parties	14,891,065	28,787,440	32,856,936
– Related parties *(Note (i))*	477,853	447,204	1,326,929
	15,368,918	29,234,644	34,183,865
Bills payables			
– Third parties	6,264,602	8,045,970	11,022,229
Trade and bills payables	21,633,520	37,280,614	45,206,094
Other payables and accruals			
– Salary and bonus payables	1,208,313	1,274,637	1,504,539
– Interest payables	2,057	4,221	6,730

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
– Other taxes payable	199,802	196,101	354,198
– Related parties *(Note (ii))*	20	2,225	1,500
– Deposits received	93,978	124,946	159,573
– Accrued expense	41,381	94,127	68,903
– Endorsed note receivables without been derecognized and not yet due	404	3,912	22,805
– Purchase consideration payables for investee companies	–	147,170	31,889
– Accrual for repurchase of restricted shares	–	72,525	138,970
– Others	2,315	7,233	37,293
Current	1,548,270	1,927,097	2,326,400
Other long-term employee benefits payable	–	–	44,433
Non-current	–	–	44,433

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Trade payables			
– Third parties	70,915	121,635	173,907
– Related parties	1,796,579	3,016,112	5,196,667
	1,867,494	3,137,747	5,370,574
Other payables and accruals			
– Salary and bonus payables	220,200	197,639	198,381
– Interest payables	455	298	1,313
– Other taxes payable	5,789	19,992	50,494
– Deposits received	48,940	78,410	103,712
– Related parties	78,038	1,748	153,813
– Accrued expense	15,741	7,876	15,471
– Accrual for repurchase of restricted shares	–	72,525	138,970
Current	369,163	378,488	662,154

Notes:

(i) Details of the trade payables due to related parties are set out in Note 46.

(ii) Details of the other payable due to related parties are set out in Note 46.

Payment terms with suppliers are mainly on credit ranging from 30 to 120 days. The following is an aging analysis of trade payables presented based on transaction date at the end of each of the reporting year:

	As of December 31,		
Trade payables	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Within 1 year	14,610,396	29,015,971	34,005,331
Over 1 year	758,522	218,673	178,534
Total	15,368,918	29,234,644	34,183,865

	As of December 31,		
Trade payables	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Within 1 year	1,867,494	3,104,670	5,104,331
Over 1 year	–	33,077	266,243
Total	1,867,494	3,137,747	5,370,574

30. CONTRACT LIABILITIES

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
– Receipts in advance	121,481	492,518	673,531

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
– Receipts in advance	–	862	216,495

31. BORROWINGS

Group

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Bank borrowings, secured	72,000	858,257	136,700
Bank borrowings, unsecured	889,400	1,040,572	1,426,543
Discounting of acceptance bill	3,774,119	7,194,174	13,014,044
Other borrowing	21,835	–	–
	4,757,354	9,093,003	14,577,287
Non-current portion			
Bank borrowings, secured	1,019,341	495,000	2,168,602
Bank borrowings, unsecured	325,830	1,977,963	2,580,895
	1,345,171	2,472,963	4,749,497
Total borrowings	6,102,525	11,565,966	19,326,784

Total current and non-current borrowings were scheduled to repay as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
On demand or within one year	4,757,354	9,093,003	14,577,287
More than one year, but not exceeding two years	850,171	107,800	2,092,921
More than two years, but not exceeding five years	310,000	1,966,313	1,969,101
Over five years	185,000	398,850	687,475
	6,102,525	11,565,966	19,326,784

Company

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Bank borrowings, secured	–	–	49,660
Bank borrowings, unsecured	200,000	320,000	5,700
Other borrowing	15,418	–	–
	215,418	320,000	55,360
Non-current portion			
Bank borrowings, secured	–	–	1,500,556
Bank borrowings, unsecured	320,000	479,963	277,678
	320,000	479,963	1,778,234
Total borrowings	535,418	799,963	1,833,594

Total current and non-current borrowings were scheduled to repay as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
On demand or within one year	215,418	320,000	55,360
More than one year, but not exceeding two years	320,000	14,900	475,280
More than two years, but not exceeding five years	–	256,213	766,080
Over five years	–	208,850	536,874
	535,418	799,963	1,833,594

The carrying amounts of the Group's and the Company's current interest-bearing bank borrowing approximate to their fair values.

As of December 31, 2023, 2024 and 2025, assets disclosed in note 34 and the Group's shares of certain subsidiaries were pledged to secure the Group's bank and other borrowings.

As of December 31, 2023, 2024 and 2025, the Group had banking facilities to the extent of approximately RMB43,187,926,000, RMB48,247,792,000 and RMB57,953,299,000, respectively. The aforesaid bank loans not used as of December 31, 2023, 2024 and 2025 were approximately RMB30,614,013,000, RMB28,291,227,000 and RMB29,360,367,000, respectively.

None of the Group's banking facilities (including bank borrowings) are subject to the fulfillment of financial covenants as of December 31, 2023, 2024 and 2025.

32. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's and the Company's lease liabilities at the end of each reporting period:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group			
Within one year	188,906	233,304	250,820
Within a period of more than one year but within five years	281,967	417,906	417,408
More than five years	–	110,968	105,707
Total lease payments	470,873	762,178	773,935
Interest	(30,936)	(84,536)	(82,624)
	439,937	677,642	691,311
Less: Amounts due for settlement within 12 months shown under current liabilities	170,962	216,132	225,710
Amount due for settlement after 12 months shown under non-current liabilities	268,975	461,510	465,601

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Company			
Within one year	23,820	–	–
Within a period of more than one year but within five years	–	–	–
Total lease payments	23,820	–	
Interest	(298)	–	–
	23,522	–	
Less: Amounts due for settlement within 12 months shown under current liabilities	23,522	–	–
Amount due for settlement after 12 months shown under non-current liabilities	–	–	–

33. DEFERRED INCOME

Group

	Assets related	Income related	Total
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
As of December 31, 2022 and January 1, 2023	196,995	–	196,995
Additions	135,607	77	135,684
Release to profit or loss *(Note 8)*	(72,695)	(77)	(72,772)
As of December 31, 2023 and January 1, 2024	259,907	–	259,907
Additions	64,643	5,418	70,061
Release to profit or loss *(Note 8)*	(74,990)	(5,418)	(80,408)
As of December 31, 2024 and January 1, 2025	249,560	–	249,560
Additions	161,548	9,077	170,625
Release to profit or loss *(Note 8)*	(88,547)	(4,077)	(92,624)
As of December 31, 2025	322,561	5,000	327,561

Company

	Assets related	Income related	Total
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
As of December 31, 2022 and January 1, 2023	5,801	–	5,801
Additions	12,085	–	12,085
Release to profit or loss	(5,267)	–	(5,267)
As of December 31, 2023 and January 1, 2024	12,619	–	12,619
Additions	17,800	5,418	23,218
Release to profit or loss	(8,514)	(5,418)	(13,932)
As of December 31, 2024 and January 1, 2025	21,905	–	21,905
Additions	5,165	4,077	9,242
Release to profit or loss	(8,808)	(4,077)	(12,885)
As of December 31, 2025	18,262	–	18,262

Note: The amounts primarily consist of incentives provided by local authorities. These funds are recognized as deferred income and systematically released to profit or loss over the estimated useful lives of the related property, plant and equipment or the designated period. For grants related to expense, the amounts received are recognized in profit or loss over the periods necessary to match them with the related costs they are intended to compensate.

34. PLEDGE ASSETS

At the end of each reporting period, the Group's certain assets have been primarily pledged to secure bills payable, borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group at the end of each reporting period are as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Restricted bank deposits	2,505,212	2,216,458	3,720,326
Other receivables	8,025	–	2,340
Property, plant and equipment	1,171,376	1,614,764	462,781
Right-of-use assets	521,214	510,246	85,620
Trade and bills receivables	5,026	252,004	256,467
Time deposits and certificates of deposits held	1,625,202	2,082,259	1,913,425
Total	5,836,055	6,675,731	6,440,959

35. SHARE CAPITAL

	Number of ordinary shares	Equivalent nominal value of shares
	'000	*RMB'000*
Group and Company		
Ordinary shares of RMB1.00 each		
As of January 1, 2023	651,827	651,827
Issue of new shares *(Note (i))*	72,425	72,425
As of December 31, 2023 and January 1, 2024	724,252	724,252
Restricted Share Incentive Scheme *(Note (ii))*	1,961	1,961
Conversion of capital reserve into share capital	289,678	289,678
As of December 31, 2024 and January 1, 2025	1,015,891	1,015,891
Treasury shares cancelled under share award schemes	(159)	(159)
As of December 31, 2025	1,015,732	1,015,732

Notes:

(i) During the year ended December 31, 2023, the Company issued new shares of 72,425,241 shares upon A-share Initial Public Offering ("**IPO**"). On 8 August 2023, the Company's shares were listed on the main board of the Shanghai Stock Exchange with stock code 603296.

(ii) During the year ended December 31, 2024, 1,960,878 ordinary shares in the Company were issued under Restricted Share Scheme at a consideration of approximately RMB74,384,000, approximately RMB1,960,878 and RMB72,423,000 were credited to share capital and share premium, respectively.

36. TREASURY SHARES

Group and Company

	As of December 31,					
	2023		2024		2025	
	Number of shares	*RMB'000*	*Number of shares*	*RMB'000*	*Number of shares*	*RMB'000*
Balance brought forward	–	–	–	–	8,136,690	382,062
Repurchase of shares *(Note (i))*	–	–	5,556,054	309,537	–	–
Grant of restricted shares to participants under Restricted Share Incentive Schemes *(Note (ii))*	–	–	1,960,878	74,384	–	–
Treasury shares transferred to the grantees under share award schemes *(Note (iii))*	–	–	–	–	–	(62,250)
Treasury shares cancelled under share award schemes	–	–	–	–	(158,276)	(4,302)
Vesting of share award schemes	–	–	–	–	(1,141,988)	(31,075)
Conversion of capital reserve into share capital	–	–	619,758	–	–	–
2023 final dividend paid *(Note (ii))*	–	–	–	(1,859)	–	–
2024 final dividend paid	–	–	–	–	–	(4,652)
Balance carried forward	–	–	8,136,690	382,062	6,836,426	279,783

Notes:

(i) During the year ended December 31, 2024, the Company has repurchased 5,556,054 shares of A-shares, accounting for 0.5469% of the Company's total shares. The implementation of the repurchase meets the requirements of the Company's share repurchase plan and relevant laws and regulations.

(ii) During the year ended December 31, 2024, 1,961,000 ordinary shares in the Company were issued under Restricted Share Scheme and the repayment obligation for the related restricted shares is RMB72,525,000.

(iii) During the year ended December 31, 2025, 3,029,000 treasury shares held by the Company were granted to certain employees under Restricted Share Scheme and a corresponding shares repurchase obligation liability was recognised.

37. RESERVES

Reserve movement of the Company:

	Capital reserve	Statutory reserve	Share award reserve	Share of OCI of investment in associates reserve	Retained earnings	Total
	(Note (i)	*Note (ii)*	*Note (iii)*		*Note (iv))*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as of January 1, 2023	3,919,223	214,636	761,213	–	981,035	5,876,107
Issuance of new shares (IPO)	5,658,258	–	–	–	–	5,658,258
Profit for the year	–	–	–	–	622,982	622,982
Recognition of equity-settled share-based payment expenses	–	–	110,766	–	–	110,766
Vesting of restricted share	654,161	–	(654,161)	–	–	–
Transfer from retained earnings to statutory reserve	–	62,298	–	–	(62,298)	–
Balance as of December 31, 2023 and January 1, 2024	10,231,642	276,934	217,818	–	1,541,719	12,268,113
Profit for the year	–	–	–	–	438,637	438,637
Recognition of equity-settled share-based payment expenses	–	–	91,682	–	–	91,682
Vesting of restricted share	100,879	–	(100,879)	–	–	–
Issuance of restricted shares to employees	72,423	–	–	–	–	72,423
2023 final dividend paid	–	–	–	–	(869,032)	(869,032)
Transfer from retained earnings to statutory reserve	–	43,864	–	–	(43,864)	–
Transfer from share premium to share capital	(289,677)	–	–	–	–	(289,677)
Balance as of December 31, 2024 and January 1, 2025	10,115,267	320,798	208,621	–	1,067,460	11,712,146
Profit for the year	–	–	–	–	642,313	642,313
Share of other comprehensive income of investment in an associate	–	–	–	7,807	–	7,807
Recognition of equity-settled share-based payment expenses	–	–	99,017	–	–	99,017
Vesting of restricted share	129,639	–	(129,639)	–	–	–
Treasury shares transferred to the grantees or cancelled under share award schemes	(66,393)	–	–	–	–	(66,393)
Transfer from retained earnings to statutory reserves	–	64,231	–	–	(64,231)	–
2024 final dividend paid	–	–	–	–	(911,630)	(911,630)
Others	4,739	–	–	–	–	4,739
Balance as of December 31, 2025	10,183,252	385,029	177,999	7,807	733,912	11,487,999

Notes:

(i) Capital reserve

The amount represents capital contribution in excess of nominal value of share capital.

(ii) Statutory reserve

The amount represents the legal requirement for a certain level of operating funds set aside from retained earnings for operating use.

(iii) Share award reserve

The share award reserve comprise the fair value of share awards granted which are yet to be released. The amount will either be transferred to the capital reserve account when the related share awards are released or be offset with share awards should the restricted shares be repurchased by the Company.

(iv) Retained earnings

Cumulative net gains and losses recognized in profit or loss.

(v) Share of OCI of investment in associates reserve

The amount represents the share of other comprehensive income of investments in associates.

(vi) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative net change in the fair value of derivatives financial instruments under hedge accounting.

(vii) Exchange and other reserve

The amount mainly represents gains/losses arising from retranslating the net assets of foreign operations into the presentation currency of the Group.

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As of December 31,		
	2023	2024	2025
Percent of equity interest held by non-controlling interests:			
– Innovation Enterprises	–	20%	20%

The following tables illustrate the summarised financial information of the above subsidiary.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Comprehensive income for the year allocated to non-controlling interests:			
– Innovation Enterprises	–	2,202	43,680

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Accumulated balance of non-controlling interests			
– Innovation Enterprises	–	377,980	421,660

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	–	371,656	3,986,978
Total expenses, net	–	360,200	3,752,365
Profit for the year	–	11,456	234,613
Total comprehensive income for the year	–	11,010	218,401
Net cash flows generated from operating activities	–	348,361	309,647
Net cash flows generated from/(used in) investing activities	–	350,378	(243,763)
Net cash flows used in financing activities	–	(5,599)	(60,258)
	–	693,140	5,626

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets	–	2,367,733	2,132,531
Non-current assets	–	1,522,497	1,462,426
Current liabilities	–	(1,652,615)	(1,293,275)
Non-current liabilities	–	(347,717)	(193,384)
	–		

39. ACQUISITION OF SUBSIDIARIES

During the Track Record Period, the Group continued to actively seek for investment opportunities through acquisitions and has completed several acquisitions of subsidiaries, of which all details are as below:

(a) For the year ended December 31, 2024

Name of the Subsidiary acquired	Vendor	Percentage of equity interests acquired	Principal activity	Date of completion
Innovation Enterprises Holdings Limited	Independent third parties	80%	Development, production, sales and servicing of professional electro-acoustic products.	December 2024
Nanchang Chunqin Precision Technology Co., LTD	Independent third parties	65%	Development, production, sales and servicing of Precision mechanical components	August 2024
Xi an Egar Intelligent Technology Co., Ltd.	Independent third parties	100%	Development, production, sales and servicing of automotive parts	February 2024

(i) Acquisition of Innovation Enterprises

On September 24, 2024, a wholly owned subsidiary of the Company entered into an Equity Transfer Agreement with the shareholder of Innovation Enterprises to acquire a total of 80% equity interests in Innovation Enterprises held by the shareholder for a total transfer price of approximately HKD2,850,000,000.

The acquisition was completed in December 2024 and the Group obtained substantive control over Innovation Enterprises.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	378,128
Restricted bank deposits	202,493
Trade and bills receivables	1,129,187
Inventories	689,247
Property, plant and equipment	731,251
Intangible assets	429,890
Right-of-use assets	322,523
Other assets	148,056
Borrowings	(71,877)
Trade and bills payables	(997,421)
Other payables and accruals	(488,083)
Contract Liabilities	(203,538)
Lease liabilities	(226,885)
Deferred tax liabilities	(164,083)
Non-controlling interests	(375,778)
Net assets acquired	1,503,110
Cash consideration paid	2,631,275
Cash consideration payable	27,500
Less: Fair value of net assets acquired	(1,503,110)
Exchange difference	3,960
Goodwill *(Note 23)*	1,159,625

	Fair value
	RMB'000
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	2,631,275
Less: Cash and cash equivalents acquired	(378,128)
	2,253,147

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB1,166,419,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB1,166,419,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

The non-controlling interests recognized at the acquisition date was measured at 20% of the net assets acquired.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Innovation Enterprises has contributed approximately RMB371,656,000 to the Group's revenue and a net profit of approximately RMB11,456,000 to the overall result of the Group for the year ended December 31, 2024. If the acquisition had occurred on January 1, 2024, the Group's revenue would have been approximately RMB114,651,842,000 and the profit of the Group would have been approximately RMB3,374,062,000 for the year ended December 31, 2024.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2024, nor is it intended to be a projection of future results.

(ii) Acquisition of Nanchang Chunqin

On July 29, 2024, a wholly owned subsidiary of the Company entered into an Equity Transfer Agreement with the shareholder of Nanchang Chunqin to acquire a total of 65% equity interests in Nanchang Chunqin held by the shareholder for a total transfer price of approximately RMB347,500,000.

The acquisition was completed in August 2024 and the Group obtained substantive control over Nanchang Chunqin.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	17,661
Trade and bills receivables	162,650
Inventories	103,666
Property, plant and equipment	343,870
Other assets	56,149
Trade and bills payables	(207,918)
Other liabilities	(66,134)
Net assets acquired	409,944
Cash consideration paid	240,580
Cash consideration payable *(note a)*	106,920
Fair value of the 35% equity held	187,118
Less: Fair value of net assets acquired	(409,944)
Goodwill *(Note 23)*	124,674
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	240,580
Less: Cash and cash equivalents acquired	(17,661)
	222,919

Note a: The cash consideration payable is subsequently paid in May 2025.

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB163,761,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB163,911,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was approximately RMB150,000.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Nanchang Chunqin has contributed approximately RMB199,090,000 to the Group's revenue and a net loss of approximately RMB15,068,000 to the overall result of the Group for the year ended December 31, 2024. No pro forma information for the acquisition of Nanchang Chunqin was prepared as if the acquisition was completed on January 1, 2024 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on January 1, 2024.

(iii) Acquisition of Xi an Egar

On January 11 and January 12, 2024, a wholly owned subsidiary of the Company entered into Equity Transfer Agreements with the shareholders of Xi an Egar to acquire a total of 100% equity interests in Xi an Egar held by those shareholders for a total transfer price of approximately RMB60,576,000.

The acquisition was completed in February 2024 and the Group obtained substantive control over Xi an Egar.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	2,578
Trade and bills receivables	27,699
Intangible assets	19,409
Other assets	5,002
Trade and bills payables	(30,940)
Other payables and accruals	(7,238)
Deferred tax liabilities	(2,904)
Net assets acquired	13,606
Cash consideration paid	47,826
Cash consideration payable *(Note b)*	12,750
Less: Fair value of net assets acquired	(13,606)
Goodwill *(Note 23)*	46,970
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	47,826
Less: Cash and cash equivalents acquired	(2,578)
	45,248

Note b: RMB7,500,000 of the cash consideration payable is subsequently paid in April 2025.

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB27,882,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB27,882,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Xi an Egar has contributed approximately RMB17,666,000 to the Group's revenue and a net loss of approximately RMB14,505,000 to the overall result of the Group for the year ended December 31, 2024. No pro forma information for the acquisition of Xi an Egar was prepared as if the acquisition was completed on January 1, 2024 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on January 1, 2024.

(b) For the year ended December 31, 2025

Name of the Subsidiary acquired	Vendor	Percentage of equity interests acquired	Principal activity	Date of completion
Shenzhen Haocheng Intelligent Technology Co., Ltd.	Independent third parties	75%	Research, development and manufacture of Intelligent Robots	Jan 2025
Plamex, S.A de C.V.	Independent third parties	100%	Processing and assembly of electronic components	Nov 2025
Nanchang Qianyi Technology Co., Ltd.	Independent third parties	99.86%	N/A	Dec 2025

(i) Acquisition of Shenzhen Haocheng

On December 27, 2024, a wholly owned subsidiary of the Company entered into an Equity Transfer Agreement with the shareholder of Shenzhen Haocheng to acquire a total of 75% equity interests in Innovation Enterprises Holdings Limited held by the shareholder for a total transfer price of approximately RMB90,000,000.

The acquisition was completed in Jan 2025 and the Group obtained substantive control over Haocheng Intelligent.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	12,988
Trade and bills receivables	15,783
Prepayments, deposits and other receivables	13,201
Inventories	11,141
Property, plant and equipment	51,738
Intangible assets	32,765
Other assets	13,457
Borrowings	(14,257)
Trade and bills payables	(17,048)
Other payables and accruals	(36,521)
Other liabilities	(22,731)
Non-controlling interests	(15,129)
Net assets acquired	45,387
Cash consideration prepaid during the year ended December 31, 2024	45,000
Cash consideration paid	45,000
Less: Fair value of net assets acquired	(45,387)
Goodwill *(Note 23)*	44,613
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	45,000
Less: Cash and cash equivalents acquired	(12,988)
	32,012

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB15,783,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB15,783,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

The non-controlling interests recognized at the acquisition date was measured at 25% of the net assets acquired.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Shenzhen Haocheng has contributed approximately RMB190,680,000 to the Group's revenue and a net loss of approximately RMB88,169,000 to the overall result of the Group for the year ended December 31, 2025. No pro forma information for the acquisition of Shenzhen Haocheng was prepared as if the acquisition was completed on January 1, 2025 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on January 1, 2025.

(ii) Acquisition of Plamex

On February 11, 2025, two wholly owned subsidiaries of the Company entered into into an Stock And Asset Purchase Agreement with the shareholders of Plamex to acquire a total of 100% equity interests in Plamex held by those shareholders for a total transfer price of approximately RMB392,503,000.

The acquisition was completed in Nov 2025 and the Group obtained substantive control over Plamex.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	57,680
Prepayments, deposits and other receivables	59,102
Property, plant and equipment	347,373
Intangible assets	49,633
Other assets	22,242
Trade and bills payables	(13,656)
Other payables and accruals	(105,643)
Other liabilities	(79,782)
Net assets acquired	336,949
Cash consideration paid	392,592
Less: Fair value of net assets acquired	(336,949)
Exchange difference	(465)
Goodwill *(Note 23)*	55,178
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	392,592
Less: Cash and cash equivalents acquired	(57,680)
	334,912

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB295,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB295,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Plamex has contributed approximately RMB53,706,000 to the Group's revenue and a net profit of approximately RMB2,920,000 to the overall result of the Group for the year ended December 31, 2025. No pro forma information for the acquisition of Plamex was prepared as if the acquisition was completed on January 1, 2025 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on January 1, 2025.

(iii) Acquisition of Nanchang Qianyi Technology Co., Ltd.

On December 22, 2025, a wholly owned subsidiary of the Company entered into an Equity Transfer Agreement with the shareholder of Nanchang Qianyi Technology Co., Ltd. (formerly known as Nanchang Pengshen Real Estate Co., Ltd.) ("Nanchang Qianyi") to acquire a total of 99.8571% equity interests in Nanchang Qianyi held by the shareholder for a total transfer price of approximately RMB1,740,000,000.

The acquisition was completed in December 2025 and the Group obtained substantive control over Nanchang Qianyi.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	1,344
Trade receivables	62,926
Prepayments, deposits and other receivables	45,090
Property, plant and equipment	1,545,192
Right-of-use assets	95,675
Other payables and accruals	(7,227)
Net assets acquired	1,743,000
Satisfied by cash	1,743,000
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	1,743,000
Less: Cash and cash equivalents acquired	(1,344)
	1,741,656

Nanchang Qianyi has no substantial business and its identifiable assets mainly comprise the industrial park located in Nanchang, China. The transaction met the concentration test criteria, and the set of property assets acquired was determined not to be a business. The property assets were initially recognized at their fair values.

40. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of each reporting period, the Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of the financial position.

In order to minimise credit risk, the Group has tasked its finance team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. Management uses publicly available financial information and the Group's own historical repayment records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate exposure is spread amongst approved counterparties.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix as of December 31, 2023, 2024 and 2025 within lifetime ECL (not credit impaired) estimated based on the financial quality of debtors and historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The following table details the credit risk exposures of the Group's trade receivables which are subject to ECL assessment:

	Average expected credit loss rate	Gross amounts	Loss allowance
		RMB'000	*RMB'000*
As of December 31, 2023			
Within 1 year	0.41%	14,419,895	59,645
1 to 2 years	29.95%	1,065	319
2 to 3 years	50.23%	11,582	5,818
Over 3 years	100%	80,464	80,464
		14,513,006	146,246
As of December 31, 2024			
Within 1 year	0.05%	25,418,531	12,709
1 to 2 years	30%	4,476	1,343
2 to 3 years	50%	910	455
Over 3 years	100%	38,159	38,159
		25,462,076	52,666
As of December 31, 2025			
Within 1 year	0.05%	34,179,126	17,090
1 to 2 years	30%	24,828	7,449
2 to 3 years	50%	513	257
Over 3 years	100%	37,928	37,926
		34,242,395	62,722

The Group considers that there is no significant change in credit risk rating of the debtors, historical payment pattern and forward-looking information during the Track Record Period.

The Group makes full provision for a trade receivable when there is information indicating that the receivable is in severe financial difficulty and there is no realistic prospect of recovery.

For other receivables, the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and available forward-looking information.

41. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities comprising the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of lease liabilities, borrowings (net of cash and bank balances) and equity attributable to owners of the Company (comprising capital and reserve).

Management of the Group regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts.

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortized cost			
Trade, bills and other receivables	14,599,432	25,643,848	34,488,547
Cash and bank balances	10,230,638	11,425,180	10,270,248
Time deposits	1,243,573	1,473,879	1,479,165
Certificates of deposits held	738,673	1,061,501	434,260
Restricted bank deposits	2,505,212	2,216,458	3,720,326
Financial assets at FVTOCI	49,682	24,691	331,229
Financial assets at FVTPL	5,228,964	3,640,493	3,465,815
Derivative Financial Instruments	83,347	222,976	134,060
Total	34,679,521	45,709,026	54,323,650

The Group

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liability			
Amortized cost			
Trade, bills and other payables	21,773,675	37,736,973	45,673,757
Borrowings	6,102,525	11,565,966	19,326,784
Lease liabilities	439,937	677,642	691,311
Derivative Financial Instruments	49,934	231,746	158,262
Total	28,366,071	50,212,327	65,850,114

The Company

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortized cost			
Trade, bills and other receivables	7,874,565	8,284,450	10,388,355
Cash and bank balances	1,757,710	1,041,470	439,591
Financial assets at FVTPL	302,140	431,393	–
Total	9,934,415	9,757,313	10,827,946

The Company

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Amortized cost			
Trade, bills and other payables	1,867,949	3,138,157	5,398,574
Borrowings	535,418	799,963	1,833,594
Lease liabilities	23,522	–	–
Total	2,426,889	3,938,120	7,232,168

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade, bills and other receivables, cash and bank balances, financial assets at FVTPL, financial assets at FVTOCI, trade, bills and other payables (excluded deposits received), borrowings, lease liabilities, amounts due to related parties, derivative financial instruments. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group and the Company manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk, interest rate risk and price risk. There has been no change in the Group's exposure to these risks or the manner in which it managed and measured the risks during each of the reporting period.

(i) Foreign currency risk

Several subsidiaries of the Company have foreign currency sales, capital expenditure, borrowings and cash and bank balances, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currencies denominated monetary assets and liabilities at the end of each reporting period are as follows:

The Group

	Assets		
	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
US$	10,980,109	18,893,393	24,918,134
Other	1,049,703	1,089,289	1,678,946
Total	12,029,812	19,982,682	26,597,080

	Liabilities		
	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
US$	5,464,600	15,408,351	15,526,233
Other	225,622	251,960	1,071,072
Total	5,690,222	15,660,311	16,597,305

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in RMB against US$. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding US$ denominate monetary items and adjusts their translation at the end of each reporting period for a 10% change in foreign currency rates. A negative number below indicates a decrease in post-tax profit where RMB strengthen 10% against US$. For a 10% weakening of RMB against US$, there would be an equal and opposite impact on the post-tax profit and the amounts below would be positive.

The Group

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
US$	551,551	348,504	939,190

During the Track Record Period, the currency exposure of RMB against currencies other than US$ is immaterial, and accordingly, no sensitivity analysis is disclosed.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its restricted bank deposits, structured deposits, cash and bank balances and lease liabilities. The Group and the Company are exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and economic outlook. The management will review the proportion of borrowings in fixed and variable rates and ensure they are within reasonable range.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 100 basis point increase or decrease in variable-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's profit before tax for the year would decrease/increase by RMB16,113,000, RMB20,813,000 and RMB21,206,000 for the years ended December 31, 2023, 2024 and 2025, respectively, and the Company's post-tax profit for the year would decrease/increase by RMB5,200,000, RMB8,000,000 and nil for the years ended December 31, 2023, 2024 and 2025, respectively. This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the company's credit risk exposures are primarily attributable to trade, bills and other receivables, financial assets at FVTOCI, financial assets at FVTPL, restricted bank deposits, bank balances, time deposits and other receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers and bills receivables

In order to minimize the credit risk, the management of the Group and the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's and the Company's credit risk is significantly reduced.

The Group has concentration of credit risk as 30%, 24% and 20% of the total trade receivables was due from the Group's largest debtor as of December 31, 2023, 2024 and 2025, respectively. The Group has concentration of credit risk as 65%, 54% and 50% of the total trade receivables was due from the Group's top five largest debtors as of December 31, 2023, 2024 and 2025, respectively.

For trade receivables, the Group and the Company has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on shared credit risk characteristics by reference to the Group's ageing of outstanding balances. Details of the quantitative disclosures are set out below in this note.

For bills receivables, the Group has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. Based on the average loss rates, the lifetime ECL on bills receivables is considered to be insignificant and therefore no loss allowance was recognized.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group and the Company provided impairment based on 12m ECL. Details of the quantitative disclosures are set out below in this note.

Restricted bank deposit/time deposits/certificates of deposits held/bank deposit

The Group expects that there is no significant credit risk associated with restricted bank deposits, time deposits, certificates of deposits held and bank deposit since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group also expects that there is no significant credit risk associated with amounts due from related parties since counterparties are mainly related parties with good reputation.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintains a level of bank balances and cash deemed adequate by the management to finance the operations of the Group and the Company, and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of borrowings, if necessary.

The following tables detail the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of and financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates at the end of each reporting period.

	On demand or less than one year	Within one to five years	More than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Group					
As of December 31, 2023					
Trade and other payables	21,773,675	–	–	21,773,675	21,773,675
Borrowings	4,826,553	1,239,245	201,124	6,266,922	6,102,525
Lease liabilities	188,906	281,967	–	470,873	439,937
Total	26,789,134	1,521,212	201,124	28,511,470	28,316,137

	On demand or less than one year	Within one to five years	More than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Group					
As of December 31, 2024					
Trade and other payables	37,736,973	–	–	37,736,973	37,736,973
Borrowings	9,193,363	2,244,996	408,599	11,846,958	11,565,966
Lease liabilities	233,304	417,906	110,968	762,178	677,642
Total	47,163,640	2,662,902	519,567	50,346,109	49,980,581

	On demand or less than one year	Within one to five years	More than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Group					
As of December 31, 2025					
Trade and other payables	45,673,757	–	–	45,673,757	45,673,757
Borrowings	14,717,042	4,301,056	704,421	19,722,519	19,326,784
Lease liabilities	250,820	417,408	105,707	773,935	691,311
Total	60,641,619	4,718,464	810,128	66,170,211	65,691,852

	On demand or less than one year	Within one to five years	More than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Company					
As of December 31, 2023					
Trade and other payables	1,867,949	–	–	1,867,949	1,867,949
Borrowings	232,003	320,252	–	552,255	535,418
Lease liabilities	23,820	–	–	23,820	23,522
Total	2,123,772	320,252	–	2,444,024	2,426,889

	On demand or less than one year	Within one to five years	More than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Company					
As of December 31, 2024					
Trade and other payables	3,138,157	–	–	3,138,157	3,138,157
Borrowings	347,947	301,028	214,405	863,380	799,963
Total	3,486,104	301,028	214,405	4,001,537	3,938,120

	On demand or less than one year	Within one to five years	More than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Company					
As of December 31, 2025					
Trade and other payables	5,398,574	–	–	5,398,574	5,398,574
Borrowings	104,353	1,382,770	552,190	2,039,313	1,833,594
Total	5,502,927	1,382,770	552,190	7,437,887	7,232,168

Fair value measurement

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

(i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as of December 31, 2023, 2024 and 2025.

The following table presents the Group's financial assets and liabilities that are measured at fair value as of December 31, 2023, 2024, and 2025, respectively.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2023				
Assets				
Financial assets at FVTPL				
Equity instruments	516,620	–	2,524,229	3,040,849
Structured deposits and wealth management products	–	–	2,188,115	2,188,115
Derivative financial instruments	–	83,347	–	83,347
Note receivables measured at FVTOCI	–	–	49,682	49,682
Total	516,620	83,347	4,762,026	5,361,993

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2024				
Assets				
Financial assets at FVTPL				
Equity instruments	266,164	–	2,549,898	2,816,062
Structured deposits and wealth management products	–	–	824,431	824,431
Derivative financial instruments	–	222,976	–	222,976
Note receivables measured at FVTOCI	–	–	24,691	24,691
Total	266,164	222,976	3,399,020	3,888,160

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2025				
Assets				
Financial assets at FVTPL				
Equity instruments	308,435	–	2,705,064	3,013,499
Structured deposits and wealth management products	–	–	452,316	452,316
Derivative financial instruments	–	134,060	–	134,060
Note receivables measured at FVTOCI	–	–	331,229	331,229
Total	308,435	134,060	3,488,609	3,931,104

Liabilities	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As of December 31, 2023				
Derivatives financial instruments	–	49,934	–	49,934
As of December 31, 2024				
Derivatives financial instruments	–	231,746	–	231,746
As of December 31, 2025				
Derivative Financial Instruments	–	158,262	–	158,262

(b) Information about Level 2 fair value measurement

For foreign currency forwards and exchange swap, the fair value is determined based on the third party bid prices on similar securities.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movements in level 3 items for the years ended December 31, 2023, 2024 and 2025.

	Equity Instruments	Structured deposits and wealth management products	Note receivables measured at FVTOCI
	RMB'000	*RMB'000*	*RMB'000*
Group			
As of December 31, 2022 and January 1, 2023	2,532,046	29,580	87,795
Additions	26,499	10,009,759	49,682
Disposals	–	(7,855,837)	(87,795)
Transfer to Level 1 (note a)	(100,672)	–	–
Change in fair value of financial assets at FVTPL	66,034	4,613	–
Translation of foreign currency accounting statements	322	–	–
As of December 31, 2023 and January 1, 2024	2,524,229	2,188,115	49,682
Additions	57,434	6,632,260	24,691
Disposals	(94,245)	(8,006,886)	(49,682)
Change in fair value of financial assets at FVTPL	61,929	10,942	–
Translation of foreign currency accounting statements	551	–	–
As of December 31, 2024 and January 1, 2025	2,549,898	824,431	24,691
Additions	15,900	6,288,500	331,229
Disposals	(41,164)	(6,661,231)	(24,691)
Transfer to Level 1 (note a)	(64,286)	–	–
Change in fair value of financial assets at FVTPL	245,894	616	–
Translation of foreign currency accounting statements	(1,178)	–	–
As of December 31, 2025	2,705,064	452,316	331,229

Note a: During the years ended December 31, 2023 and 2025, transfers from Level 3 to Level 1 were mainly due to the successful IPO of certain existing investees.

Assets subject to Level 3 fair value measurement were mainly included equity investments in unlisted entities at FVTPL and Structured deposits and wealth management products. These assets were measured mainly using market approach, net assets approach, recent transaction price approach, option model and income approach. The judgment of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value.

The information of fair value measurements for Level 3 as of December 31, 2023, 2024 and 2025 is as follows:

	As of December 31,			Valuation Technique	Significant unobservable input	Relationship of key assumptions to fair value
	2023	2024	2025			
	RMB'000	*RMB'000*	*RMB'000*			
Financial assets at FVTPL						
Equity instruments	807,032	823,670	849,040	Market approach	Comparable company valuation multiples (including Price Earnings Ratio ("PE"), Price Sales Ratio ("PS") and Price Book Ratio ("PB"))	The higher comparable company valuation multiples (including PE, PS and PB), the higher the fair value.
					Discount for lack of marketability ("DLOM")	The higher DLOM, the lower the fair value.
	466,491	410,006	572,590	Recent transaction price approach	N/A	N/A
	1,250,706	1,251,936	1,254,715	Net asset value approach	N/A	The higher the net asset value, the higher the fair value.
	–	64,286	–	DLOM approach	DLOM	The higher DLOM, the lower the fair value.
	–	–	28,719	Option model	Expected volatility	The higher expected volatility, the higher the fair value.
					Risk-free rate	The higher risk-free rate, the lower the fair value.
Structured deposits and wealth management products	2,188,115	824,431	452,316	Income approach	Expected rate of return	N/A
Financial assets at FVTOCI						
Note receivables measured at FVTOCI .	49,682	24,691	331,229	Discounted cash flow	DLOM	N/A

The following is the sensitivity analysis of level 3 fair value measurement to change in key unobservable inputs:

(a) Comparable company valuation multiples (including PE, PS and PB)

A 1% increase/decrease in the comparable company valuation multiples (including PE, PS and PB) while holding all other variables constant would increase/decrease the fair value of the equity instruments by approximately RMB8,070,000, RMB8,237,000 and RMB8,490,000 as of December 31, 2023, 2024 and 2025, respectively, in the Group.

(b) DLOM

A 1% increase/decrease in the DLOM while holding all other variables constant would decrease/increase the fair value of the equity instruments by approximately RMB8,070,000, RMB8,880,000 and RMB8,490,000 as of December 31, 2023, 2024 and 2025, respectively, in the Group.

43. SHARE-BASED PAYMENT

Share-based compensation expenses during the Track Record Period are as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity settled share-based compensation	110,743	90,279	98,416

Restricted share scheme before IPO in Shanghai Stock Exchange ("SSE") (2017-2021)

The Company adopted various restricted share schemes from 2017 to 2021 (the "pre-SSE IPO Restricted Share Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. In 2017 the Company completed the grant of 2,114,000 and 14,478,000 restricted stock with to 8 and 124 incentive participants at a price of Nil and RMB3.22 per share, respectively. In 2018 the Company completed the grant of 2,216,000 restricted stock to 26 incentive participants at a price of RMB3.5 per share. In 2019 the Company completed the grant of 1,970,000 restricted stock to 45 incentive participants at a price of RMB3.96 per share. In 2020 the Company completed the grant of 13,464,900 restricted stock to 183 incentive participants at a price of RMB4.31 per share. In 2021 the Company completed the grant of 70,000 restricted stock to 1 incentive participant at a price of RMB6.73 per share. The incentive employees include high and middle-level management.

In order to implement the restricted share scheme, Hainan Qin Ruan Chuang Ye Investment Partnership Enterprise (Limited Partnership), Hainan Chuang Jian Chuang Ye Investment Partnership Enterprise (Limited Partnership), Hainan Ruan Sheng Chuang Ye Investment Partnership Enterprise (Limited Partnership), Hainan Hua Xiao Chuang Ye Investment Partnership Enterprise (Limited Partnership), Hainan Mo Zhi Investment Partnership Enterprise (Limited Partnership), Shanghai Qin Xia Enterprise Management Enterprise (Limited Partnership), Shanghai Qin Di Investment Partnership Enterprise (Limited Partnership), Hainan Chuang Gong Investment Partnership Enterprise (Limited Partnership), Hainan Ruan Jie Chuang Ye Investment Partnership Enterprise (Limited Partnership), Hainan Hua Xie Investment Partnership Enterprise (Limited Partnership), Hainan Mo Yuan Investment Partnership Enterprise (Limited Partnership), Shanghai Mo Yi Enterprises Management Consulting Co., Ltd., Shanghai Ruan Wei Enterprise Management Consulting Co., Ltd., Shanghai Mo Zai Enterprise Management Consulting Co., Ltd., and Shanghai Ruan Wo Enterprise Management Consulting Co., Ltd., were established and designated as share incentive platforms to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners.

The payment settled upon the date of grant, to obtain ordinary shares of a partnership which held the shares of the Company. The vesting period for these restricted share schemes are as follow:

(i) for employees who has become partner of the share incentive platforms before the end of year of 2017 and been with the Group for more than 10 years, the restricted shares are vested immediately.

(ii) for employees who has become partner of the share incentive platforms after the year of 2017 but has been with the Group for less than 10 years, 40% will be vested upon the successful IPO of the Company, 20% will be vested one year after the date of the IPO, 20% will be vested two years after the date of the IPO and the rest will be vested in the third year.

(iii) for employees who has become partner of the share incentive platforms before end of year of 2017 but has been with the Group for less than 10 years or employees who has become partner of the share incentive platforms after the year of 2017 and has been with the Group for more than 10 years, 55% will be vested upon the successful IPO of the Company, 15% will be vested one year after the date of the IPO, 15% will be vested two years after the date of the IPO and the rest will be vested in the third year.

Restricted shares held by recipients through incentive platform who do not meet vesting conditions shall not be released and cannot be deferred to subsequent periods; Such shares shall be repurchased by incentive platform from the recipients.

Set out below are details of the restricted shares granted to employees under the pre-SSE IPO Restricted Share Scheme:

Year of grant	Number of shares granted	Subscription price	Fair value on the grant date	The basis for determining the fair value as of the grant date
		RMB per share	*RMB per share*	
2017	2,114,000	–	6.73-20.61	Recent transaction price with investors, discounted cash flow
2017	14,478,000	3.22	6.73-20.61	Recent transaction price with investors, discounted cash flow
2018	2,216,000	3.50	20.61-21.50	Recent transaction price with investors, discounted cash flow
2019	1,970,200	3.96	21.50-25.00	Recent transaction price with investors, discounted cash flow
2020	13,463,600	4.31	25.00-42.34	Recent transaction price with investors
2021	70,000	6.73	46.52	Discounted cash flow

The directors have used the discounted cash flow method to determine the underlying equity fair value of the Company. Key assumptions, such as discount rate and projections of the future performance, are required to be determined by the directors with best estimate. The discount rate was estimated based on the Weighted Average Cost of Capital ("WACC").

Movements in the number of restricted shares granted were as follows:

	As of December 31,		
	2023	2024	2025
	'000	*'000*	*'000*
At the beginning of the year	368,198	11,570	10,799
Capital premium conversion	–	4,628	–
Vested	(356,360)	(5,399)	(5,399)
Lapsed	(268)	–	–
At the end of the year	11,570	10,799	5,400

Restricted share scheme in 2023

The Company adopted a restricted share scheme in 2023 (the "2023 Restricted Share Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the 2023 Restricted Share Scheme, the directors granted 1,549,395 and 411,483 newly issued restricted shares under the scheme to eligible employees, including the directors and employees of the Group, at a price of RMB40.32 per share and RMB28.95 per share, in January 2024 and July 2024, respectively, which settled upon the date of grant, to obtain ordinary shares of the Company upon vesting. The price difference is due to the capital premium conversion in July 2024 which cause the shares of the Company to increase.

Restricted shares granted to incentive recipients are subject to lock-up periods, which commence from the grant date. According to the Company's performance appraisal and individual performance appraisal, 50% of the shares will be vested after 12 months and the rest will be vested after 24 months. During the lock-up period, the incentive recipients' restricted shares shall not be transferable, used as collateral, or applied to debt settlement.

Restricted shares held by recipients who do not meet vesting conditions shall not be released and cannot be deferred to subsequent periods; such shares shall be repurchased and canceled by the Company at the grant price.

Cash dividends are paid to recipients directly. If vesting conditions are not met, such dividends shall be reclaimed by the Company. Shares acquired by incentive recipients through capitalization (e.g., capital premium conversion, stock dividends, or stock splits) during the lock-up period shall be subject to the same restrictions and may not be sold or transferred in secondary markets; such shares shall also be repurchased and canceled by the Company if vesting conditions are not met.

Upon termination of the restricted share incentive plan, the Company shall repurchase all unvested restricted shares and dispose of them in accordance with the provisions of the Company Law.

Set out below are details of the movements of the outstanding restricted shares granted under the 2023 Restricted Share Scheme during the years:

	As of December 31,		
	2023	**2024**	**2025**
	'000	*'000*	*'000*
At the beginning of the year	–	–	2,581
Granted	–	1,961	–
Capital premium conversion	–	620	–
Vested	–	–	(1,142)
Lapsed	–	–	(192)
Repurchased	–	–	(158)
At the end of the year	–	2,581	1,089

The fair value of restricted shares is determined by the closing share price at grant day. The fair value of restricted shares granted for 2023 Restricted Share Scheme at grant date was RMB74.39 and RMB101.06, respectively.

During the year ended December 31, 2024 and December 31, 2025, the Company recognized expenses for the services rendered during the vesting period under 2023 Restricted Share Scheme of approximately RMB36,911,000 and RMB13,153,000 respectively.

Restricted share scheme in 2025

The Company adopted a restricted share scheme in 2025 (the "2025 Restricted Share Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the 2025 Restricted Share Scheme, the directors granted 2,588,177 and 440,350 restricted shares under the scheme from the treasury shares to eligible employees, including the directors and employees of the Group, at a price of RMB34.34 per share and 39.96 per share, in February 2025 and August 2025, respectively, which settled upon the date of grant, to obtain ordinary shares of the Company upon vesting.

Restricted shares granted to incentive recipients are subject to lock-up periods, which commence from the grant date. According to the Company's performance appraisal and individual performance appraisal, 30% of the shares will be vested after 24 months, 30% of the shares will be vested after 36 months, and the rest will be vested after 48 months. During the lock-up period, the incentive recipients' restricted shares shall not be transferable, used as collateral, or applied to debt settlement.

Restricted shares held by recipients who do not meet vesting conditions shall not be released and cannot be deferred to subsequent periods; such shares shall be repurchased and canceled by the Company at the grant price.

Cash dividends are paid to recipients directly. If vesting conditions are not met, such dividends shall be reclaimed by the Company. Shares acquired by incentive recipients through capitalization (e.g., capital premium conversion, stock dividends, or stock splits) during the lock-up period shall be subject to the same restrictions and may not be sold or transferred in secondary markets; such shares shall also be repurchased and canceled by the Company if vesting conditions are not met.

Upon termination of the restricted share incentive plan, the Company shall repurchase all unvested restricted shares and dispose of them in accordance with the provisions of the Company Law.

Set out below are details of the movements of the outstanding restricted shares granted under the 2025 Restricted Share Scheme during the years:

	As of December 31,		
	2023	2024	2025
	'000	'000	'000
At the beginning of the year	–	–	–
Granted	–	–	3,029
Lapsed	–	–	(159)
At the end of the year	–	–	2,870

The fair value of restricted shares is determined by the closing share price at grant day. The fair value of restricted shares granted for 2025 Restricted Share Scheme at grant date was RMB81.43 and RMB80.29, respectively.

During the period ended December 31, 2025, the Company recognized expenses for the services rendered during the vesting period under 2025 Restricted Share Scheme of approximately RMB58,984,000.

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Borrowing	Lease liability	Total
	RMB'000	RMB'000	RMB'000
As of December 31, 2022	6,259,387	220,525	6,479,912
Proceeds from borrowings	10,705,687	–	10,705,687
Repayment of borrowings	(10,871,707)	–	(10,871,707)
Repayment of leases liabilities	–	(94,506)	(94,506)
Non Cash movement	9,158	313,918	323,076
As of December 31, 2023	6,102,525	439,937	6,542,462
Proceeds from borrowings	20,288,355	–	20,288,355
Repayment of borrowings	(14,699,165)	–	(14,699,165)
Repayment of leases liabilities	–	(203,136)	(203,136)
Non Cash movement	(125,749)	440,841	315,092
As of December 31, 2024	11,565,966	677,642	12,243,608
Proceeds from borrowings	24,737,379	–	24,737,379
Repayment of borrowings	(16,030,605)	–	(16,030,605)
Repayment of leases liabilities	–	(131,644)	(131,644)
Non Cash movement	(945,956)	145,313	(800,643)
As of December 31, 2025	19,326,784	691,311	20,018,095

The non-cash movement included borrowings mainly resulted from set-off of borrowings and term deposit, exchange difference, acquisition of subsidiaries and lease liability mainly resulted from the new lease contracts entered and acquisition of subsidiaries during the years ended December 31, 2023, 2024 and 2025.

45. CAPITAL COMMITMENTS

At the end of each reporting period, capital commitments contracted but not provided for in the Track Record Period are as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Capital expenditure contracted for but not provided for purchase of property, plant and equipment, intangible assets and land use rights in the Track Record Period	1,594,337	2,021,080	1,974,772

46. RELATED PARTY TRANSACTIONS AND BALANCES

The Group

During the reporting period, the following parties are identified as related parties to the Group and the respective relationships are set out below:

Names of related parties	Relationship
江西志博信科技股份有限公司 Jiangxi Zhiboxin Technology Co., Ltd. (Note)	The associate of the Group
Nanchang Chunqin	An associate of the Group before Sep 2024
南昌英力精密製造有限公司 Nanchang Yingli Precision Manufacturing Co., Ltd. (Note)	The associate of the Group
深圳智賽精密裝備有限公司 Shenzhen Zhisai Precision Equipment Co., Ltd. (Note)	The associate of the Group
河源市西品精密模具有限公司 Heyuan City Xipin Precision Mould Co., Ltd. (Note)	The associate of the Group (disposal of in Jan 2024)
合泰盟方電子(深圳)股份有限公司 Hotland Electronics (Shenzhen) Co., Ltd.(Note)	The associate of the Group
嘉興微瑞光學有限公司 Jiaxing Weirui Optics Co., Ltd (Note)	The associate of the Group
金華市創捷電子有限公司 Jinhua TROQ Electronic CO., LTD (Note)	The associate of the Group
NationGate Computing Sdn Bhd	The associate of the Group (disposal of in April 2024)
重慶市天實精工科技有限公司 Chongqing Tianshi Precision Technology Co., Ltd. (Note)	The associate of the Group
Bhagwati Products Limited	The associate of the Group
惠州市合升科技有限公司 Huizhou Hosen Electronic Co., Ltd (Note)	The associate of the Group
三旗日本株式會社 Tricheer Japan Limited	The associate of the Group
THine HyperData, Inc	The associate of the Group (disposal of in April 2025)
惠州光弘科技股份有限公司 DBG Technology Co., Ltd (Note)	The subsidiary of the Group's associate
惠州光弘通訊技術有限公司 Huizhou Guanghong Communication Technology Co., Ltd. (Note)	A Subsidiary of the Group's associate
嘉興光弘科技電子有限公司 Jiaxing DBG Technology Electronics Co., Ltd (Note)	A Subsidiary of the Group's associate
DBG Technology (India) Private Limited	A Subsidiary of the Group's associate
DBG Technology (Vietnam) Co. Ltd.	A Subsidiary of the Group's associate
南昌聯決電子有限公司 Nanchang Lianjue Electronics Co., Ltd. (Note)	A Subsidiary of the Group's associate
珠海聯決電子科技有限公司 Zhuhai Lianjue Electronics Co., Ltd. (Note)	A Subsidiary of the Group's associate
Nanchang Qianyi (Note)	An associate of the Group before December 2025
四川天鐸建設工程有限公司 Sichuan Tianduo Construction Engineering Co., Ltd. (Note)	A company of which Mr. Luo Yizhao (a close family member of Mr. Qiu Wensheng) is key management personnel
Jieqin Technologies India PVT. Ltd.	A Subsidiary of the Group's associate
南昌勤悅置業有限公司 Nanchang Qinyue Real Estate Co., Ltd. (Note)	Controlled by the actual controller of the company
成都速易聯芯科技有限公司 Chengdu Suyi Lianxin Technology Co., Ltd. (Note)	The associate of the Group
DBG Electronics (Investment) Limited	The associate of the Group
MarkLines Software Development Co., Ltd.	The associate of the Group
揚州揚杰電子科技股份有限公司 Yangzhou Yangjie Electronic Technology Co., Ltd	Controlled by Mr. Huang Zhiguo
正弘電子有限公司 Zheng Hong Electronics Limited	The associate of the Group

Note : The English names of the related parties registered in the PRC mentioned above represent the best efforts made by management of the Company to translate their Chinese names as they do not have official English names.

(b) Transactions with related parties

(i) Purchase

The Group

– For services:

Name of related party	Year ended December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sichuan Tianduo Construction Engineering Co., Ltd. 四川天鐸建設工程有限公司	945	106	–
THine HyperData, Inc	–	1,346	–
MarkLines Software Development Co., Ltd.	–	–	243
	945	1,452	243
– For goods:			
Heyuan City Xipin Precision Mould Co., Ltd. 河源市西品精密模具有限公司	4,221	–	–
Jiangxi Zhiboxin Technology Co., Ltd. 江西志博信科技股份有限公司	348,210	378,879	627,007
Nanchang Chunqin	325,403	306,494	–
Nanchang Lianjue Electronics Co., Ltd. 南昌聯決電子有限公司	32,689	153,426	66,143
Jieqin Technologies India PVT. Ltd.	85,772	–	–
Nanchang Yingli Precision Manufacturing Co., Ltd. 南昌英力精密製造有限公司	132,490	223,639	283,381
Chongqing Tianshi Precision Technology Co., Ltd. 重慶市天實精工科技有限公司	–	115	29
Hotland Electronics (Shenzhen) Co., Ltd 合泰盟方電子(深圳)股份有限公司	864	16,504	9,973
Zhuhai Lianjue Electronics Co., Ltd. 珠海市聯決電子有限公司	391	–	14
Jinhua TROQ Electronic Co., Ltd 金華市創捷電子有限公司	150	577	951
Jiaxing Weirui Optics Co., Ltd 嘉興微瑞光學有限公司	505	–	–
Huizhou Hosen Electronic Co., Ltd 惠州市合升科技有限公司	–	606	21,246
Tricheer Japan Limited 三旗日本株式會社	–	–	2,544
Yangzhou Yangjie Electronic Technology Co., Ltd 揚州揚杰電子科技股份有限公司	–	–	1,402
	930,695	1,080,240	1,012,690
– For goods and processing			
DBG Technology Co., Ltd 惠州光弘科技股份有限公司	246,319	245,662	414,260
DBG Technology (India) Private Limited	690,379	761,672	1,190,936
DBG Technology (Vietnam) Co. Ltd.	59,885	143,763	585,508
Jiaxing DBG Technology Electronics Co., Ltd. 嘉興光弘科技電子有限公司	2,383	8,922	16,673
Bhagwati Products Limited	–	47,032	1,075,537
	998,966	1,207,051	3,282,914
– For property, plant and equipment and services			
Shenzhen Zhisai Precision Equipment Co., Ltd. 深圳智賽精密裝備有限公司	21,415	54,066	47,440
	21,415	54,066	47,440

(ii) ***Revenue***

The Group

– For goods:

Name of related party	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Nanchang Lianjue Electronics Co., Ltd. 南昌聯決電子有限公司	187	4	2,597
Heyuan City Xipin Precision Mould Co., Ltd. 河源市西品精密模具有限公司	21,181	4,873	–
Huizhou Guanghong Communication Technology Co., Ltd. 惠州光弘通訊技術有限公司	3	–	–
Jiang Xi Zhiboxin Technology Co., Ltd 江西志博信科技股份有限公司	14,462	4,127	1,713
Shenzhen Zhisai Precision Equipment Co., Ltd. (Formerly known as Shenzhen Intelligent Robotics Co., Ltd.) 深圳智賽精密裝備有限公司 (曾用名:深圳智賽機器人有限公司)	27	75	69
DBG Technology (India) Private Limited	190,597	86,888	57,848
DBG Technology Co., Ltd 惠州光弘科技股份有限公司	15	–	–
NationGate Computing Sdn Bhd	10,417	45	–
Bhagwati Products Limited	–	765,298	5,726,449
Tricheer Japan Limited 三旗日本株式會社	–	17,666	63,133
Nanchang Chunqin	620	727	–
Chengdu Suyi Lianxin Technology Co., Ltd. 成都速易聯芯科技有限公司	–	–	1,858
	237,509	879,703	5,853,667

– Services:

Name of related party	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
DBG Technology Co., Ltd 惠州光弘科技股份有限公司	–	114	39
	–	114	39

(iii) ***The Group as lessee***

Name of related party	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Nanchang Qianyi	21,367	16,995	19,849
Nanchang Qinyue Real Estate Co., Ltd. 南昌勤悅置業有限公司	151	387	387
DBG Technology (Vietnam) Co. Ltd.	–	4,499	21,356
	21,518	21,881	41,592

(iv) ***Capital increase in related parties***

Name of related party	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Nanchang Chunqin	35,000	–	–
DBG Electronics (Investment) Limited	–	94,403	78,372
Jiangxi Weirui Optics Co., Ltd. 嘉興微瑞光學有限公司	–	30,200	–
Nanchang Yingli Precision Manufacturing Co., Ltd. 南昌英力精密製造有限公司	–	–	13,000
Zheng Hong Electronics Limited 正弘電子有限公司	–	–	8,762
	35,000	124,603	100,134

(c) Related party balances

(i) ***Trade and bill receivables***

The Group

Name of related party	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Heyuan City Xipin Precision Mould Co., Ltd. 河源市西品精密模具有限公司	2,103	–	–
Jiang Xi Zhiboxin Technology Co., Ltd 江西志博信科技股份有限公司	3,073	249	83
Nanchang Lianjue Electronics Co., Ltd. 南昌聯決電子有限公司	23	–	205
DBG Technology (India) Private Limited	172,297	820	10,820
NationGate Computing Sdn Bhd	10,340	–	–
Nanchang Chunqin	152	–	–
DBG Technology Co., Ltd. 惠州光弘科技股份有限公司	7	–	–
Bhagwati Products Limited	–	860,809	2,742,133
Tricheer Japan Limited 三旗日本株式會社	–	11,660	12,045
	187,995	873,538	2,765,286

The amounts are in trade nature, unsecured, non-interest bearing and aged within one year at the end of each reporting period.

(ii) ***Prepayments***

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Name of related party			
Shenzhen Zhisai Precision Equipment Co., Ltd. 深圳智賽精密裝備有限公司	9	77	–
Nanchang Lianjue Electronics Co., Ltd. 南昌聯決電子有限公司	–	3	–
Jiaxing DBG Technology Electronics Co., Ltd. 嘉興光弘科技電子有限公司	–	–	888
Nanchang Yingli Precision Manufacturing Co., Ltd. 南昌英力精密製造有限公司	–	–	1
	9	80	889

The amounts are in trade nature.

(iii) ***Other receivables***

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Name of related party			
Nanchang Qianyi	50	5,244	–
Nanchang Lianjue Electronics Co., Ltd. 南昌聯決電子有限公司	480	–	–
Nanchang Qinyue Real Estate Co., Ltd. 南昌勤悅置業有限公司	–	38	38
DBG Technology (Vietnam) Co. Ltd.	–	–	9,043
	530	5,282	9,081

The amounts are in trade nature.

(iv) ***Trade payables***

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Name of related party			
DBG Technology Co., Ltd 惠州光弘科技股份有限公司	33,682	62,193	73,227
Nanchang Chunqin	107,881	–	–
Jiang Xi Zhiboxin Technology Co., Ltd 江西志博信科技股份有限公司	24,066	48,662	70,581
Nanchang Lianjue Electronics Co., Ltd. 南昌聯決電子有限公司	16,457	10,030	5,677
Nanchang Yingli Precision Manufacturing Co., Ltd. 南昌英力精密製造有限公司	65,129	81,137	70,436
Shenzhen Zhisai Precision Equipment Co., Ltd. 深圳智賽精密裝備有限公司	8,084	20,256	31,742
Zhuhai Lianjue Electronics Co., Ltd. 珠海聯決電子科技有限公司	469	148	15
Hotland Electronics (Shenzhen) Co., Ltd. 合泰盟方電子(深圳)股份有限公司	573	5,646	2,701
Jinhua TROQ Electronic CO., LTD 金華市創捷電子有限公司	41	304	439
Chongqing Tianshi Precision Technology Co., Ltd. 重慶市天實精工科技有限公司	–	19	30
DBG Technology (India) Private Limited	203,152	116,236	88,795
DBG Technology (Vietnam) Co. Ltd.	14,638	35,987	128,882
Heyuan City Xipin Precision Mould Co., Ltd. 河源市西品精密模具有限公司	2,007	–	–
Jiaxing DBG Technology Electronics Co., Ltd 嘉興光弘科技電子有限公司	1,659	5,002	1,907
Jiangxi Weirui Optics Co., Ltd. 嘉興微瑞光學有限公司	15	–	–
Bhagwati Products Limited	–	60,948	845,512
Huizhou Hosen Electronic Co., Ltd 惠州市合升科技有限公司	–	636	6,142
Tricheer Japan Limited 三旗日本株式會社	–	–	228
Yangzhou Yangjie Electronic Technology Co., Ltd 揚州揚杰電子科技股份有限公司	–	–	615
	477,853	447,204	1,326,929

The amounts are in trade nature.

(v) Other payables

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Name of related party			
Shenzhen Zhisai Precision Equipment Co., Ltd. 深圳智賽精密裝備有限公司	20	–	–
DBG Technology Co., Ltd 惠州光弘科技股份有限公司	–	725	–
Jinhua TROQ Electronic Co., Ltd. 金華市創捷電子有限公司	–	1,000	1,000
Huizhou Hosen Electronic Co., Ltd 惠州市合升科技有限公司	–	500	500
	20	2,225	1,500

The amounts are in trade nature.

(d) Compensation of key management personnel

The Group

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Directors' fee, salaries and other benefits	31,556	37,963	36,533
Share-based compensation	3,609	4,338	10,095
Social security costs and housing benefits	1,575	1,921	1,726
	36,740	44,222	48,354

47. SUBSEQUENT EVENTS

On February 12, 2026, the Company granted a total of 2,433,100 restricted shares to certain employees at a grant price of RMB47.95 per share under the 2026 Restricted Share Scheme approved by the shareholders at the Company's shareholders' meeting held on February 9, 2026.

48. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2025.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with paragraph 4.29 of the Listing Rules is for illustrative purpose only, and is set forth here to illustrate the effect of the Global Offering on the audited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 as if the Global Offering had taken place on December 31, 2025.

This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes 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 Company as of December 31, 2025 or at any future dates following the Global Offering. It is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 as set out in the Accountants' Report on historical financial information of the Group, the text of which is set out in Appendix I to this Prospectus, and adjusted as described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	
Based on the Offer Price of HK$77.70 per Offer Share	23,849,238	3,925,942	27,775,180	26.02	29.59

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 is extracted from the Accountants' Report set out in Appendix I to this Prospectus, which is based on the audited consolidated net assets of our Group attributable to owners of the Company as of December 31, 2025 of approximately RMB25,797,357,000 with adjustments for the intangible assets attributable to the equity holders of the Company and goodwill as of December 31, 2025 of approximately RMB571,818,000 and RMB1,376,301,000, respectively.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price at the indicative Price of HK$77.70 per Offer Share, after deduction of the estimated underwriting fees and other related expenses payable by the Company (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) which have not been reflected in consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share is calculated based on the total of 1,067,444,118 shares (representing 1,015,732,344 shares in issue as of December 31, 2025, excluding 2,527,527 treasury shares held by the Company in treasury and 4,308,899 restricted shares which are contingently returnable as of December 31, 2025, adding 58,548,200 offer shares under the Global Offering), assuming that the Global Offering had been completed on December 31, 2025 but does not take into account of any shares which may be issued upon the exercise of the over-allotment option and offer size adjustment option and upon the vesting of restricted shares that have been or may be granted from time to time under the restricted share scheme.

(4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share, the amounts stated in Renminbi are converted from or into Hong Kong dollars at an exchange rate of HK$1.0 to RMB0.8795. No representation is made that RMB has been, could have been or may be converted into HK$, or vice versa, at that rate.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2025.

In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on Page II-1 has not taken into account payment of dividends of RMB1,215,846,000 which was proposed by the 24th meeting of the second Board of Directors on March 23, 2026 and subject to the approval of the Company's shareholders' meeting.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share would have been RMB24.88 (equivalent to HK$28.29) per Share based on the Offer Price of HK$77.70, if the dividend had been taken into account as of December 31, 2025.

(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Huaqin Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Huaqin Co., Ltd. (the "**Company**") and its subsidiaries (collectively the "**Group**") prepared by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as of December 31, 2025 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages II-1 to II-2 of Appendix II to the Company's prospectus dated April 15, 2026 (the "**Prospectus**") in connection with the proposed initial public offering of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Proposed Global Offering**"). 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 of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Global Offering on the Group's financial position as of December 31, 2025 as if the Proposed Global Offering had taken place at December 31, 2025. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors from the Group's financial information for the eight months ended December 31, 2025, on which an accountant's report has been published.

Directors' Responsibilities 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 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**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 (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements issued by the HKICPA, 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 unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or 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 Global Offering at December 31, 2025 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 event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited 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' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or 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.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong
April 15, 2026

PRC TAXATION

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was latest amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was latest amended on December 18, 2018 (collectively, the "**IIT Law**"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《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 "**Arrangement**") signed on August 21, 2006 and came into effect on December 8, 2006, the PRC Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the State Taxation Administration on the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《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 Taxation Administration and came into effect on December 6, 2019 states that such provisions shall not apply to any arrangement or transactions made for the primary purpose of gaining such tax benefit.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Provisions 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》) promulgated by the State Council on December 6, 2007 and latest amended on December 6, 2024 (hereinafter collectively referred to as the "**EIT Law**"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

The Circular on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《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》(國稅函[2008]897號)), which was issued and implemented by the State Taxation Administration on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a flat rate of 10% on the dividends paid to overseas non-resident enterprise shareholders of H Shares which are derived out of profit generated since 2008 and onwards.

Pursuant to the Arrangement, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the State Taxation Administration on the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《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》), which was promulgated by the State Taxation Administration and came into effect on December 6, 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under the Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax laws and regulations, such as the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. Currently, the PRC has entered into Avoidance of Double Taxation Treaties or Arrangements with several countries and regions, including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Circular on Fully Launch of the Pilot Scheme for the Conversion of Business Tax to Value-added Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]36號)) (the "**Circular 36**") implemented on May 1, 2016, entities and individuals engaged in sales of services, intangible assets, or immovables in the PRC are subject to VAT and "engaged in sales of services in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (the "**Local Additional Taxes**"), which shall usually be calculated at 12% of the VAT payable (if any).

Income Tax

Individual Investors

Pursuant to the IIT Law, gains on the sales of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》(財稅字[1998]61號)) issued by the Ministry of Finance and the State Taxation Administration on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. On December 31, 2009, the Ministry of Finance, the State Taxation Administration and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》(財稅[2009]167號)), which came into effect on the same date, which states that individuals' income from the transfer of listed shares on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》(財稅[2010]70號)) jointly issued by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

Pursuant to the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of 10% on PRC-sourced income, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, the entities and individuals that conclude taxable vouchers or conduct securities trading within the territory of the PRC, and the entities and individuals outside the territory of the PRC that conclude taxable vouchers that are used inside China, shall be subject to the stamp duty. Accordingly, the requirements of the stamp duty imposed on the transfer of shares of PRC-listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

No estate duty is currently levied in the PRC.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) approved by the NPC on March 16, 2007 and effective on January 1, 2008, and subsequently amended by the SCNPC on February 24, 2017 and December 29, 2018, respectively, and the Implementation Rules to 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》), which was laid down by the State Council on December 6, 2007, effective on January 1, 2008 and amended on December 6, 2024, a resident enterprise shall pay enterprise income tax on its income deriving from both inside and outside the PRC at the rate of enterprise income tax of 25%. Wholly foreign-invested enterprises in the PRC, which fall into the category of resident enterprises, shall pay enterprise income tax for the income originated from domestic and overseas sources at an enterprise income tax rate of 25%. The actual management body (referring to the body that has de facto management and control with respect to the production, operations, personnel, finance, property and other aspects of the enterprise) established under laws of overseas countries or regions shall be regarded as resident enterprises if it is located within the territory of the PRC, and shall pay enterprise income tax at the rate of 25% on its income originating from both in and outside PRC. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside the PRC at the rate of 10%, unless otherwise agreed in the tax treaty or arrangement signed by the PRC and the countries or regions where non-resident enterprises are located. The enterprise income tax shall be levied at the rate of 15% for high-tech and new technology enterprises that are specifically supported by the State.

Value-added Tax

According to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》, the "**Regulations on Value-Added Tax**"), which was promulgated by the State Council on December 13, 1993, effective on January 1, 1994 and subsequently amended on November 10, 2008, February 6, 2016 and November 19, 2017, respectively, and the Implementation Rules for the Provisional 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》), which was promulgated by the MOF, effective on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011, respectively, and became effective on November 1, 2021, entities and individuals engaging in the sale of goods or providing processing, repair and assembly services, sale of services, intangible assets, immovable assets and importation of goods in the PRC are the taxpayers and shall be subject to value-added tax. Unless otherwise specified, the tax rates are as follows: 17% for taxpayers engaging in the sale of goods, labour services, leasing services for tangible movable assets, or importation of goods; 11% for taxpayers engaging in sale of transportation, postal, basic telecommunications, construction, immovable asset leasing services, sale of immovable assets, transfer of land use rights, and sale or importation of specific goods; 6% for taxpayers engaging in provision of services and sale of intangible assets; zero for taxpayers engaging in exporting goods; zero for domestic entities and individuals engaging in the sale of cross-border services and intangible assets within the scope prescribed by the State Council.

According to the Notice on Fully Launch of the Pilot Scheme for the Conversion of Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》), which was promulgated by the MOF and the STA on March 23, 2016 and came into effect on May 1, 2016, and was subsequently amended on July 11, 2017, December 25, 2017 and March 20, 2019, respectively, from May 1, 2016 onwards, the pilot scheme for the conversion of business tax to value-added tax is implemented nationwide with the approval of the State Council.

The Circular on Adjusting Value-added Tax Rates (《關於調整增值稅稅率的通知》), which was promulgated by the MOF and the STA on April 4, 2018 and came into effect on May 1, 2018, adjusts the applicable rate of VAT and stipulates that for a taxpayer who engages in a taxable sales activity for the VAT purpose or importation of goods, the previous applicable tax rates of 17% and 11% would be adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), which was promulgated by the MOF, STA and General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, for a general value-added taxpayer who engages in a taxable sales activity for the VAT purpose or importation of goods, the previous applicable tax rate of 16% will be adjusted to 13%; and the previous applicable tax rate of 10% will be adjusted to 9%.

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which will come into effect on January 1, 2026, when the Regulations on Value-Added Tax will be repealed.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China (the "**PBOC**"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

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》), which was promulgated by the State Council on January 29, 1996, implemented on April 1, 1996, and last amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents, and the foreign exchange receipts and payments by financial institutions engaging in the conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material imbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital account items.

Pursuant to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

Pursuant to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' general meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

Pursuant to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》), which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

Pursuant to the Notice of the State Administration of Foreign Exchange on 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 implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus and other disclosure documents.

Pursuant 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 came into effect on June 1, 2015, the SAFE has canceled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

Pursuant 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, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The percentage of foreign exchange settlement for foreign currency earnings in the capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as a judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The ministries and commissions of the State Council, the People's Bank of China, the National Audit Office of the PRC, as well as other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, environmental protection as well as historical and cultural protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The people's governments of the provinces, autonomous regions, and municipalities directly under the central government, and cities divided into districts or autonomous prefectures may enact rules in accordance with the laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts or autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate department rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

Pursuant to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. Pursuant to the Decision of the Standing Committee of the National People's Congress Regarding the Strengthening of Interpretation of Laws (《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》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretations on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and department rules promulgated by them. At the regional level, the power to give interpretations of the local laws and regulations, as well as administrative rules, is vested in the regional legislative and administrative organs, which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 Revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts, and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the power to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (2023 Revision) (《中華人民共和國民事訴訟法(2023修正)》) (the "**Civil Procedure Law**"), which was adopted in 1991 and amended in 2007, 2012, 2017 and 2021, and latest amended by the SCNPC on September 1, 2023 and came into effect from January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that such choice shall not in any circumstances contravene the regulations of differential jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization shall have the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating actions or defending against litigation at a people's court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens or enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case such person needs to engage a lawyer for the purpose of initiating actions or defending against litigation at a people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct an investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years, subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment for which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment against such party.

Where a party requests for enforcement of an effective judgment or ruling made by a people's court, but the opposite party or his property is not within the territory of the People's Republic of China, the party may directly apply to the foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or according to the principle of reciprocity, request for recognition and enforcement by the foreign court. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people's court of the PRC, a party may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which its country is a participant or according to the principle of reciprocity, request for recognition and enforcement by the people's court, unless the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security or would not be in social and public interest.

THE COMPANY LAW OF THE PRC

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") was promulgated by the SCNPC on December 29, 1993 and came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 and the latest revision of which was implemented on July 1, 2024. Set out below is a summary of the major provisions of the Company Law.

General Provisions

A joint stock limited company refers to a corporate legal person incorporated in the PRC under the Company Law with independent legal person properties and entitlement to such legal person properties. The liability of the company for its own debts is limited to the total amount of all assets it owns, and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Incorporation

A joint stock limited company may be established by promotion or subscription. A joint stock limited company shall have a minimum of one but no more than 200 people as its promoters, over half of whom shall have a domicile within the PRC. For joint stock limited companies incorporated by way of promotion, the promoters shall subscribe for the full amount of shares to be issued upon the establishment of the company as provided for in the articles of association. Where joint stock limited companies are incorporated by share offering, shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued when the company is established as stipulated in the company's articles of association, unless otherwise provided by laws or administrative regulations.

For a company incorporated by promotion, the promoters shall subscribe for the full number of shares to be issued at the time of establishment of the company as stipulated in the articles of association and make capital contributions in accordance with the provisions of the articles of association. For capital contributions made in non-monetary property, the transfer procedures for such non-monetary property rights shall be duly completed. If the promoter fails to pay the share capital according to the subscribed shares, or if the actual value of the non-monetary property used as capital contribution is significantly lower than the subscribed shares, other promoters and the promoter shall bear joint and several liability within the scope of insufficient capital contribution. After the promoters confirm the capital contributions as stipulated in the articles of association, they shall elect the board of directors and the board of supervisors. The board of directors shall submit the articles of association, along with other documents required by laws or administrative regulations, to the company registration authority to apply for the registration of the company's establishment.

For companies incorporated by share offering, shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued at the time of establishment of the company as stipulated in the company's articles of association, unless otherwise provided by laws or administrative regulations. A promoter who offers shares to the public shall publish a prospectus and prepare a subscription letter to be completed, signed or sealed by subscribers, specifying the number and amount of shares to be subscribed for and the subscribers' domicile. The subscribers shall pay up monies for the shares they subscribe for. Where a company offers shares to the public, such offer shall be underwritten by security companies established under PRC law, and underwriting agreements shall be entered into. A company offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and are obliged to furnish evidence of receipt of those subscription monies to the relevant authorities. After the subscription monies for the shares to be issued have been paid in full, a capital verification institution established under PRC laws shall be engaged to conduct a capital verification and furnish a certificate thereof. The promoter shall convene the establishment meeting of the company within thirty days from the date of full payment of the shares that should be issued when the company is established. The establishment meeting shall be held only with the attendance of subscribers holding more than half of the voting rights. Where the shares that shall be issued when the company is established are not fully subscribed, and remain not fully subscribed within the prescribed deadline as stipulated in the prospectus, or where the promoter fails to convene an establishment meeting within 30 days of the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank rates of a deposit for the same period. Within 30 days after the conclusion of the establishment meeting of the company, the board of directors shall authorize a representative to apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the capacity of a legal person after approval of registration has been given by the relevant company registration authority for industry and commerce, and a business license has been issued.

The legal consequences of the civil activities undertaken by the shareholders at the time of the establishment of a company for the establishment of such company shall be borne by the company. If the company is not incorporated, the legal consequences shall be borne by the shareholders at the time of the establishment of the company; if the shareholders at the time of the establishment of the company are two or more persons, they shall enjoy joint and several claims and bear joint and several liabilities. As regards the civil liabilities arising from the civil activities undertaken by the shareholders at the time of establishment in their own name for the purpose of establishing the company, the third party shall have the right to choose to request the company or the shareholders at the time of establishment to bear such liabilities. If the shareholders at the time of establishment cause damage to others by performing their duties for the establishment of the company, the company or the shareholders who are not at fault may, after assuming the liability, recover it from the shareholders who are at fault.

Registered Capital

The promoters may make a capital contribution in currencies, or non-monetary assets, such as in-kind or intellectual property rights or land use rights or equity rights or creditors' rights, which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. Non-monetary assets contributed as capital shall be valued and verified, and shall not be over-valued or under-valued. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any subscriber.

The shares of the Company shall take the form of share certificates. Share certificates issued by the Company are evidence of shares held by the shareholders. Shares issued by the Company shall be registered shares. The offering price of par value shares may be equal to or greater than the nominal value of the share, but may not be less than the nominal value.

Increase in Registered Capital

Pursuant to the relevant provisions of the Company Law, where a company issues new shares, resolutions shall be passed at a shareholders' general meeting in accordance with the articles of association in respect of matters such as the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and the class and amount of the new shares proposed to be issued to existing shareholders. If any no-par value share is issued, resolutions on the amount of proceeds from the issuance of the new shares to be included in the registered capital shall be made.

Reduction in Registered Capital

A company shall reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (1) the company shall prepare a balance sheet and an inventory of assets; (2) the reduction of registered capital must be approved by shareholders at shareholders' general meeting; (3) the company shall notify its creditors within 10 days and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the day on which the resolution approving the reduction was passed; (4) the creditors of the company are entitled to require the company to repay its debts or provide guarantees for such debts within 30 days from receipt of the notification or within 45 days from the date of the announcement if he/she/it has not received any notification; and (5) the company must apply to the company registration authority for change in registration.

Repurchase of Shares

Pursuant to the Company Law, a company may not acquire its own shares other than for the following purposes: (1) reducing its registered capital; (2) merging with other companies which hold its shares; (3) carrying out an employee stock ownership plan or equity incentive plan; (4) acquiring its shares at the request of its shareholders who vote in a shareholders' general meeting against a resolution regarding a merger and division; (5) utilizing the shares for conversion of corporate bonds issued by listed companies which are convertible into shares; and (6) where it is necessary for the listed company to safeguard the value of the company and the interests of its shareholders.

Following the acquisition by a company of its own shares in accordance with these requirements, such shares shall be canceled within 10 days from the date of the acquisition under the circumstance in item (1); such shares shall be transferred or canceled within six months under the circumstances in items (2) or (4); the total shares held by the Company shall not exceed 10% of the total amount of shares issued by the Company and such shares shall be transferred or canceled within three years under the circumstances in items (3), (5) or (6).

A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law of the PRC (《中華人民共和國證券法》) when acquiring its own shares. The acquisition by a listed company of its own shares in circumstances as set out in items (3), (5) and (6) of this article shall be conducted through open centralized trading.

The Company shall not accept the equity rights of the Company as the subject of a pledge.

Transfer of Shares

Shares held by shareholders may be transferred according to the laws. Pursuant to the Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Transfer of shares may be carried out by endorsement of shareholders or in other manner specified by laws and administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its register of members. The register of members shall not be modified within 20 days prior to the convening of a shareholders' general meeting or five days prior to the base date for the determination of dividend distributions. Where laws, administrative regulations or the securities regulatory authorities under the State Council have other provisions on changes to the register of members of a listed company, such provisions shall prevail.

Pursuant to the Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on the transfer of shares held by shareholders or de facto controllers of listed companies, such provisions shall prevail. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and changes in such shareholdings. During their terms of office, they shall not transfer more than 25% of the total number of shares held by them in the Company each year during their term of office, as determined when they assume the posts. They shall not transfer the shares they hold within one year from the date of the company's listing on a stock exchange, nor within half a year after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Shareholders

Under the Company Law, the rights of shareholders include the rights: (1) to receive a return on assets, participate in significant decision-making and select management personnel; (2) to petition the people's court to revoke any resolution passed on a shareholders' general meeting or a board meeting that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the articles of association, or any resolution the contents of which is in violation of the articles of association, provided that such petition shall be submitted within 60 days of the passing of such resolution; (3) to transfer the shares of the shareholders legally; (4) to attend or appoint a proxy to attend shareholders' general meetings and exercise the voting rights; (5) to inspect and make copies of the articles of association, share register, minutes of shareholders' general meetings, board resolutions, resolutions of the board of supervisors and financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations; (6) to receive dividends in respect of the number of shares held; (7) to participate in distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and (8) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them, and any other shareholder obligation specified in the articles of association.

After the establishment of a company, the board of directors shall verify the capital contributions of the shareholders. If a shareholder fails to make the full contribution as required by the company's articles of association by the specified deadline, the company shall issue a written notice to such shareholder demanding the contribution. If the company fails to promptly perform the aforementioned obligation and causes losses to the company, the directors responsible shall be liable for compensation. If a shareholder fails to make the contribution by the date specified in the company's articles of association, the company may, when issuing a written notice demanding the contribution as provided above, specify a grace period for the payment. The grace period shall not be less than sixty days from the date the company issues the notice. If the shareholder still fails to fulfill the contribution obligation after the grace period expires, the company may, upon a resolution by the board of directors, issue a notice of forfeiture in writing to the shareholder. From the date the notice is issued, the shareholder shall forfeit the equity interests corresponding to the unpaid capital contribution. The equity interests forfeited in accordance with the above provisions shall be transferred in accordance with the law, or the company shall correspondingly reduce its registered capital and cancel such equity interests. If the equity interests are not transferred or canceled within six months, other shareholders of the company shall make the corresponding contributions in full according to their respective capital contribution ratios. If a shareholder disputes the forfeiture, they shall file a lawsuit with the people's court within 30 days from the date of receiving the notice of forfeiture.

Shareholders' General Meeting

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. The shareholders' general meeting may exercise the following functions and powers: (1) to elect and replace the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors; (2) to review and approve the reports of the board of directors; (3) to review and approve the reports of the board of supervisors; (4) to review and approve the company's profit distribution proposals and loss recovery proposals; (5) to decide on any increase or reduction of the company's registered capital; (6) to decide on the issue of corporate bonds; (7) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form; (8) to amend the articles of association; and (9) other functions and powers stipulated in the articles of association. The shareholders' general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the Company Law, a shareholders' general meeting shall be held once every year. An extraordinary shareholders' general meeting is required to be held within two months upon the occurrence of any of the circumstances: (1) the number of directors is less than the number required by law or less than two-thirds of the number specified in the articles of association; (2) the outstanding losses of the company amounted to one-third of the company's total paid-in share capital; (3) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary shareholders' general meeting; (4) the board deems necessary; (5) the board of supervisors so proposes; or (6) other circumstances as provided for in the articles of association.

A shareholders' general meeting shall be summoned by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director recommended by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties, the board of supervisors shall convene and preside over the shareholders' general meeting in a timely manner. If the board of supervisors fails to convene and preside over the shareholders' general meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the shareholders' general meeting. In the event that shareholders who individually or collectively hold more than 10% of the Company's shares request the convening of an extraordinary shareholders' general meeting, the board of directors or the board of supervisors shall make a decision on whether or not to convene an extraordinary shareholders' general meeting within ten days from the date of receipt of the request, and shall reply to the shareholders in writing.

In accordance with the Company Law, a notice of the shareholders' general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days prior to the meeting. A notice of an extraordinary shareholders' general meeting shall be given to all shareholders 15 days prior to the meeting. A shareholder, individually or in aggregate holding more than 1% of the shares of the company, may submit an interim proposal in writing to the board of directors within 10 days before the shareholders' general meeting. The interim proposal shall have clear agenda and specific matters on which resolutions are to be made. The board of directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholders' general meeting for deliberation; except where the interim proposal violates the provisions of laws, administrative regulations or the articles of association, or does not fall within the terms of reference of the shareholders' general meeting. A company shall not increase the shareholding ratio of the shareholders who are entitled to put forward an interim proposal. A company that offers shares to the public shall make the notices provided for in the preceding two paragraphs by way of announcement. The content of the interim proposal shall fall within the terms of reference of the shareholders' general meeting and shall have a clear agenda and specific matters on which resolutions are to be made. A shareholders' general meeting shall not make any resolution in respect of any matter not set out in the notices.

Pursuant to the Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, except for class shareholders. The company's shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Pursuant to the Company Law, resolutions of the shareholders' general meeting shall be passed by more than half of the voting rights held by shareholders present at the meeting, except for resolutions relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, in each case of which shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where a shareholder entrusts a proxy to attend the shareholders' general meeting on his/her behalf, the matters, authority and duration of the proxy shall be clarified; the proxy shall present the shareholders' power of attorney to the company and exercise voting rights within the scope of authorization.

Minutes shall be prepared in respect of matters considered at the shareholders' general meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors. A joint stock limited company with a smaller scale or fewer shareholders may appoint one director without establishing a board of directors to exercise the functions and powers prescribed for the board of directors by the Company Law. This director may serve concurrently as the company manager.

The board of directors shall consist of 3 or more members and may include employee representatives among them. In the case of a company with three hundred or more employees, except where a board of supervisors shall be established and include employee representatives among its members as required by law, the company's board of directors shall include employee representatives among its members. An employee representative of the board of directors shall be elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections.

Under the Company Law, a joint stock limited company shall have a board of directors with 5 to 19 members. Members of the board of directors may include employee representatives among their members, who shall be democratically elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly reelected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of director results in the number of directors being less than the quorum.

Under the Company Law, the board of directors may exercise the following powers: (1) to summon the shareholders' general meetings and report its works to the shareholders' general meetings; (2) to implement the resolutions passed by the shareholders at the shareholders' general meetings; (3) to decide on the company's operational plans and investment proposals; (4) to formulate the company's profit distribution proposals and loss recovery proposals; (5) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds; (6) to formulate proposals for the merger, division or dissolution of the company or change of corporate form; (7) to decide on the setup of the company's internal management organs; (8) to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and the person responsible for financial matters of the company and to decide on their remunerations; (9) to formulate the company's basic management system; and (10) to exercise any other authority as is stipulated in the articles of association or as authorized by the shareholders' general meeting.

The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly reelected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of director results in the number of directors being less than the quorum. If a director resigns, he/she shall notify the company in writing and the resignation shall take effect on the date of receipt of the notification by the company; however, if the circumstances stipulated in the preceding paragraph exist, the director shall continue to perform his/her duties.

The dismissal of directors may be resolved at the shareholders' general meetings with effect from the date such resolution was made. If a director is dismissed before the expiry of his/her term of office without justifiable reasons, he/she may claim compensation from the company.

Board Meetings

Under the Company Law, the Board meeting shall be convened at least twice each year. Notice of the meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the board of supervisors. The chairperson shall summon and preside over the board meeting within 10 days of receiving such proposal. The board of directors may otherwise determine the means and the period of notice for summoning an interim board meeting. A Board meeting shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization. Meanwhile, the board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the shareholders' general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Chairperson

Under the Company Law, the board of directors shall have a chairperson and may have a vice chairperson. The chairperson and the vice chairperson shall be elected with the approval of more than half of all the directors. The chairperson shall summon and preside over board meetings and review the implementation of board resolutions. The vice chairperson shall assist the chairperson to perform his/her duties. Where the chairperson is incapable of performing, or is not performing his/her duties, the duties shall be performed by the vice chairperson. Where the vice chairperson is incapable of performing, or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

Qualifications of Directors

Under the Company Law, the following person may not serve as a director in a company: (1) a person with no capacity for civil conduct or limited capacity for civil conduct; (2) a person who has been convicted of an offense of corruption, bribery, embezzlement, misappropriation of property or sabotaging the order of socialist market economy, or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence, in case of a suspended sentence, not more than two years have elapsed since the date of expiry of the probationary period; (3) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise; (4) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation or the order for closure; and (5) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of debts which has fall due.

Any election or appointment of directors to which any of the above circumstances applies, such election or appointment shall be null and void. A director to whom any of the above circumstances applies during his/her term of office shall be released from his/her duties by the company.

Board of Supervisors

Under the Company Law, a joint stock limited company shall have a board of supervisors. A joint stock limited company with a smaller scale or fewer shareholders may appoint one supervisor without establishing a board of supervisors to exercise the functions and powers prescribed for the board of supervisors by the Company Law. A joint stock limited company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the board of supervisors by the Company Law, without establishing a board of supervisors or supervisor.

The board of supervisors shall consist of more than three members. Members of the board of supervisors shall consist of representatives of the shareholders and an appropriate proportion of employee representatives of the company, among which the proportion of employee representatives shall not be less than one third of the supervisors, and the actual proportion shall be determined in the articles of association. Employee representatives at the board of supervisors shall be elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections.

The board of supervisors shall have a chairperson and may have a vice chairperson. The chairperson and the vice chairperson of the board of supervisors shall be elected by more than half of all the supervisors. The chairperson of the board of supervisors shall summon and preside over the meetings of the board of supervisors. Where the chairperson of the board of supervisors is incapable of performing, or is not performing his/her duties, the vice chairperson of the board of supervisors shall summon and preside over the meetings of the board of supervisors. Where the vice chairperson of the board of supervisors is incapable of performing, or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall summon and preside over the meetings of the board of supervisors.

Directors and senior management members shall not act concurrently as supervisors.

Each term of office of a supervisor is three years, and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor results in the number of supervisors being less than the quorum.

Pursuant to the Company Law, the board of supervisors shall convene at least one meeting every six months. Resolutions of the board of supervisors shall be passed by more than half of all supervisors. Each supervisor shall have one vote for a resolution to be approved by the board of supervisors. Meanwhile, the board of supervisors shall keep minutes of resolutions passed at the meetings. The minutes shall be signed by the supervisors present at the meeting.

The board of supervisors may exercise the following powers: (1) to review the company's financial position; (2) to supervise the acts of directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of the shareholders' general meetings; (3) when the acts of a director or a senior management personnel are detrimental to the company's interests, to require the director and senior management to correct these acts; (4) to propose the convening of interim shareholders' general meetings and to convene and preside over shareholders' general meetings when the board fails to perform the duty of convening and presiding over shareholders' general meetings under the Company Law; (5) to submit proposals to the shareholders' general meetings; (6) to bring actions against directors and senior management personnel pursuant to the relevant provisions of the Company Law; and (7) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The board of supervisors may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Manager and Senior Management

Under the Company Law, a company may have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors and shall exercise his/her duties and powers in accordance with the provisions of the company's articles of association or the authorization of the board of directors. The manager shall be present at the board meeting. The board of directors of the company may decide that a director may serve concurrently as the company manager.

According to the Company Law, senior management shall refer to the manager, deputy manager, person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Obligations of Directors, Supervisors and Senior Management

Directors, supervisors and senior management are required to comply with the relevant laws, administrative regulations and the articles of association, shall owe a duty of loyalty to the company, shall take measures to avoid conflicts between their own interests and the interests of the company, and shall not make use of their positions to gain undue advantage. Directors, supervisors and senior management shall also owe a duty of diligence to the company and shall perform their duties with the reasonable care normally expected of a person in a management position in the best interests of the company. Where a controlling shareholder or de facto controlling person of a company does not serve as a director of the company but de facto manages the company's affairs, the above provisions shall apply.

Directors, supervisors and senior management are prohibited from: (1) embezzlement of company properties and misappropriating company funds; (2) depositing company funds into accounts under their own names or the names of other individuals; (3) utilizing power to accept bribe or accept other illegal income; (4) accepting for their own benefit commissions from others for transactions conducted with the company; (5) unauthorized divulgence of confidential information of the company; and (6) other acts in violation of their duty of loyalty to the company.

Where a director, supervisor or senior management is required to attend a shareholders' general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders.

Where a director, supervisor or senior management contravenes any laws, administrative regulations or the articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable to the company. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may institute litigation at the people's court. If a controlling shareholder or de facto controlling person of a company instructs a director or a senior management to act in a manner detrimental to the company or shareholders' interests, such shareholder or de facto controlling person shall bear joint and several liability with such director or senior management.

Finance and Accounting

Under the Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments under the State Council. At the end of each accounting year, a company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and the regulations of the financial departments under the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholders' general meeting. A joint stock limited company that publicly offers shares shall publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory reserve fund until the fund has reached more than 50% of the company's registered capital. When the company's statutory reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up for the losses before being allocated to the statutory reserve fund in accordance with the preceding paragraph. After the company has made allocations to the statutory reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' general meeting, also set aside a discretionary reserve fund from its after-tax profits. The residual after-tax profits after a company has made up for its losses and accrued reserve fund shall be distributed by the company (in the case of a limited liability company) in proportion to the capital contribution paid up by its shareholders, except where all the shareholders have agreed not to distribute the profits in accordance with the proportion of the capital contribution; or such profits shall be distributed by the company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association. The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

Profits distributed to shareholders by a company in violation of the requirements of the Company Law must be returned to the company; if losses are caused to the company, shareholders and responsible directors, supervisors, and senior management shall bear the liability for compensation.

The premium over the nominal value of the shares of a company from the issue of shares, the amount of proceeds from the issuance of no-par value shares not included in the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of a company shall be applied to make up for the company's losses, expand its business operations or increase its registered capital. When utilizing reserve funds to make up for a company's losses, the discretionary reserve fund and statutory reserve fund should be used first; if the losses still cannot be made up, the capital reserve fund may be used in accordance with regulations. Upon the transfer of the statutory reserve fund for increasing registered capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' general meeting, the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting, the board of directors or the board of supervisors conducts a vote on the dismissal of the accounting firm.

The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of data.

Profit Distribution

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory reserve fund is provided.

Amendments to the Articles of Association

Pursuant to Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

Dissolution and Liquidation

Under the Company Law, a company shall be dissolved for any of the following reasons: (1) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (2) the shareholders have resolved at a shareholders' general meeting to dissolve the company; (3) the company shall be dissolved by reason of its merger or division; (4) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or (5) the company is dissolved by the people's court according to the relevant provisions of the Company Law. The company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, make public the reasons for dissolution through the National Enterprise Credit Information Publicity System.

In the event of paragraph (1) above and in case that no assets have been distributed to shareholders, the company may carry on its existence by amending its articles of association or by a resolution of the shareholders' general meeting. The amendments to the articles of association or the resolution of a shareholders' general meeting in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders (in the case of a limited liability company) and the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting (in the case of a joint stock limited company).

The company may be dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, because the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests.

Where the company is dissolved under the circumstances set forth in paragraphs (1), (2), (4) or (5) above, liquidation shall be carried out. Directors shall be the liquidation obligors, and a liquidation committee shall be established within 15 days of the date on which the dissolution matter occurs. The liquidation committee shall be composed of directors, unless the company's articles of association provide otherwise or the shareholders' general meeting resolves to elect someone else. If the liquidation obligor fails to fulfil its liquidation obligations in a timely manner and causes losses to the company or creditors, it shall be liable for compensation. If a liquidation committee is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply to the people's court for setting up a liquidation committee with designated relevant personnel to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise the following powers during the liquidation: (1) to sort out the company's assets and to prepare a balance sheet and an inventory of assets; (2) to notify the company's creditors or publish announcements; (3) to deal with any outstanding business related to the liquidation; (4) to pay any overdue tax together with any tax arising during the liquidation process; (5) to settle the company's claims and liabilities; (6) to distribute the company's remaining assets after its debts have been paid off; and (7) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days of its establishment. A creditor shall lodge his/her claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification. A creditor shall report all matters relevant to his/her claimed creditor's rights and furnish relevant evidence. The liquidation committee shall register the creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan for submission to a shareholders' general meeting or a people's court for confirmation.

The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their capital contribution (in the case of a limited liability company) and in proportion to the shares held by them (in the case of a joint stock limited company).

The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for bankrupt liquidation in accordance with the laws.

Following the acceptance of the application for bankruptcy by the people's court, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

When performing the duties in relation to the liquidation, members of the liquidation committee shall bear the duties of loyalty and diligence. If members of the liquidation committee are reluctant to perform their liquidation duties and cause losses to the company, they shall be liable for compensation; if members of the liquidation committee have caused the creditors to suffer from any loss due to intentional fault or gross negligence, they shall be liable for compensation.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or the people's court for confirmation, and to the company registration authority for the application for cancellation of company registration.

Merger and Division

Under the Company Law, a merger of companies can take the form of a merger by absorption or a merger by creation. A company absorbs another company as a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to form a new company is a merger by creation, and the merging parties are dissolved.

Overseas Listing

According to the Trial Measures for Administration on 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》), which was promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, domestic enterprises seeking overseas listing shall submit a filing application to the CSRC in accordance with these measures.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to a people's court if his/her share certificate(s) in registered form are either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Securities Laws and Regulations

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and the disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the Securities Committee and the CSRC and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》), which governs the application and approval procedures for public offerings of shares, trading of shares, the acquisition of listed companies, deposit, clearing and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**Securities Law**") took effect on July 1, 1999 and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019. The latest Securities Law was implemented on March 1, 2020. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles, regulating the issue and trading of securities, takeovers by listed companies and the duties and responsibilities of the securities exchanges, securities companies, and securities regulatory authorities under the State Council. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises shall satisfy the relevant requirements of the State Council when they list shares overseas. Currently, the issue and trading of shares issued overseas are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

This appendix contains a summary of the provisions of the (Draft) Articles of Association of Huaqin Co., Ltd. (the "**Articles of Association**") considered and approved by the Company at the 2025 Second Extraordinary Shareholders' General Meeting held on September 10, 2025, which will become effective on the date of listing of the H Shares on the Hong Kong Stock Exchange. This appendix is mainly designed to provide potential investors with an overview of the Articles of Association of the Company. Therefore, it may not contain all the information that is important to potential investors.

ISSUANCE OF SHARES

The Company's shares shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other.

Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by subscribers.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase in Capital

Based on the needs of operation and development, the Company may increase capital by the following means in accordance with the provisions of the laws and regulations upon resolution of the shareholders' general meeting:

(i) issuing shares to non-specific investors;

(ii) offering of shares to specific investors;

(iii) distribution of bonus shares to existing shareholders;

(iv) conversion of capital reserve into share capital;

(v) other methods prescribed by laws, administrative regulations, and the CSRC.

Reduction in Capital

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the Company Law and other relevant provisions, and the procedures stipulated in the Articles of Association.

Repurchase of Shares

The Company may not acquire its own shares other than for the following purposes:

(i) to reduce the registered capital of the Company;

(ii) to merge with other companies which hold the shares of the Company;

(iii) to carry out an employee stock ownership plan or equity incentive plan;

(iv) to acquire its shares at the request of its shareholders who vote in a shareholders' general meeting against a resolution regarding a merger and division;

(v) to utilize the shares for the conversion of corporate bonds issued by listed companies which are convertible into shares;

(vi) where it is necessary to safeguard the value of the Company and the interests of its shareholders.

The Company may acquire its own shares by centralized bidding transactions or other means approved by laws, regulations, the CSRC, and the Hong Kong Stock Exchange, provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed.

Where the Company acquires its own shares under the circumstances prescribed in items (iii), (v) and (vi) under the first paragraph above, such acquisition shall be conducted through public centralized transactions.

Where the Company acquires its own shares under the circumstances prescribed in items (i) and (ii) under the first paragraph above, it shall be resolved at the shareholders' general meeting. Where the Company acquires its shares under the circumstances prescribed in items (iii), (v) and (vi) under the first paragraph above, it shall be resolved at a Board meeting attended by more than two-thirds of the Directors, subject to the securities regulatory rules of the place where the Company's shares are listed.

Following the acquisition by the Company of its own shares in accordance with the requirements of the first paragraph above, such shares shall be canceled within 10 days from the date of the acquisition under the circumstance in item (i); such shares shall be transferred or canceled within six months under the circumstances in item (ii) or (iv); the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and such shares shall be transferred or canceled within three years under the circumstances in item (iii), (v) or (vi).

Notwithstanding the foregoing provisions, if there are provisions in applicable laws and regulations, other requirements of the Articles of Association, and the laws or the securities regulatory authorities of the place where the Company's shares are listed, which require otherwise in respect of matters related to the aforementioned repurchase of the Company's shares, such provisions shall prevail. The repurchase of the Company's H Shares shall comply with the Hong Kong Listing Rules and other relevant laws, regulations, and regulatory requirements of the place where the Company's H Shares are listed.

Transfer of Shares

Shares issued by the Company prior to its public offering of A Shares shall not be transferred within one year from the date of listing and trading of the Company's shares on the Shanghai Stock Exchange.

Directors and senior management of the Company shall declare to the Company the number of shares held by them in the Company and changes therein, and shall not transfer more than 25% of the total number of the Company's shares of the same class held by them in each year of their term of office as determined at the time of their assumption of office; the shares of the Company held by them shall not be transferred within one year from the listing date of the shares of the Company; and the aforesaid persons are not allowed to transfer their shares in the Company within six months after their departure. Where laws, administrative regulations, or the listing rules of the place where the Company's shares are listed provide otherwise for the transfer of the Company's shares, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

General Rules for Shareholders

The Company shall make a register of shareholders based on the certificates provided by the securities registration and settlement agency. The register of shareholders of the Company shall be sufficient evidence proving the holding of the Company's shares by a shareholder. The original register of H shareholders shall be kept in Hong Kong, and the appointed overseas agent shall ensure that the original and duplicate copies of the overseas-listed share register remain consistent at all times. The Hong Kong branch register of shareholders must be available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy the rights and assume the obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other forms of distribution of interests in proportion to their shareholdings;

(ii) to request to convene, hold, preside over, attend in person or appoint a proxy to attend the shareholders' general meeting and exercise their voting rights correspondingly in accordance with the laws;

(iii) to supervise, and make recommendations or inquiries on the operation of the Company;

(iv) to transfer, bestow or pledge the shares they hold in accordance with the laws, administrative regulations, and the Articles of Association;

(v) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' general meetings, resolutions of the Board meetings, and financial and accounting reports. Eligible shareholders may inspect the Company's accounting books and accounting documents;

(vi) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon termination or liquidation of the Company;

(vii) the shareholders disagreeing with the merger or separation resolution made by the shareholders' general meeting are entitled to ask the Company to acquire their shares;

(viii) other rights conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders requesting to inspect or copy relevant materials of the Company shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations.

Shareholders of the Company shall assume the following obligations:

(i) to comply with the laws, administrative regulations, and Articles of Association;

(ii) to pay capital contributions in accordance with the shares subscribed and the capital participation method;

(iii) not to withdraw from the Company its capital contribution except for the circumstances set out in laws and regulations;

(iv) not to abuse shareholders' rights to damage 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 damage the interests of the creditors of the Company;

(v) to assume other obligations required by the laws, administrative regulations, and the Articles of Association.

Where any shareholder of the Company causes any loss to the Company or any other shareholder by abusing the shareholder's rights, the said shareholder shall be liable for compensation according to law. Where any shareholder of the Company evades the debts by abusing the independent legal person status of the Company or the limited liability of shareholders and thus seriously damages the interests of any creditor of the Company, the said shareholder shall be jointly and severally liable for the debts of the Company.

Controlling Shareholders and Actual Controllers

The controlling shareholders and actual controllers of the Company shall exercise their rights, perform their duties and protect the interests of the Company in accordance with laws, administrative regulations, requirements of the CSRC and rules of the stock exchange in the place where the Company's shares are listed.

The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

(i) they shall exercise shareholders' rights in accordance with laws, and shall not abuse their control or use related relations to damage the legitimate rights and interests of the Company or other shareholders;

(ii) they shall stringently fulfill their public declarations and undertakings and shall not alter or waive such declarations or undertakings unilaterally;

(iii) they shall strictly perform the obligations of information disclosure in accordance with relevant provisions, actively cooperate with the Company to ensure proper information disclosure, and promptly notify the Company of significant events that have occurred or are likely to occur;

(iv) they shall not appropriate the funds of the Company in any manner;

(v) they shall not order by coercion, instruct or demand the Company and relevant personnel to provide a guarantee in violation of laws or regulations;

(vi) they shall not make use of the Company's undisclosed material information to gain benefits, or divulge undisclosed material information relating to the Company in any manner, or engage in illegal or non-compliant acts such as inside dealing, short-term dealing or market manipulation;

(vii) they shall not damage the legitimate rights and interests of the Company and other shareholders by any means, such as unfair related transactions, profit distribution, asset restructuring and external investment;

(viii) they shall guarantee the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organization and business, and shall not affect the independence of the Company in any manner;

(ix) other provisions of laws, administrative regulations, requirements of the CSRC, operational rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

Where a controlling shareholder or actual controller of the Company does not act as a Director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of Directors shall apply.

Where a controlling shareholder or actual controller of the Company instructs a Director or senior management member to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management member.

General Rules of Shareholders' General Meetings

The shareholders' general meeting of the Company comprises all shareholders. The shareholders' general meeting shall be the authoritative body of the Company and shall exercise the following functions and powers in accordance with the laws:

(i) to elect and replace directors and to decide on the matters relating to the remuneration of directors;

(ii) to consider and approve the reports of the Board;

(iii) to consider and approve the Company's profit distribution plans and loss recovery plans;

(iv) to resolve the increase or reduction of the registered capital of the Company;

(v) to resolve the issuance of bonds of the Company;

(vi) to resolve the merger, division, dissolution, liquidation or change of corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to resolve the appointment and dismissal of the accounting firm that undertakes the auditing activities of the Company;

(ix) to consider and approve the guarantee matters stipulated in Article 46 of the Articles of Association;

(x) to consider and approve the transactions in respect of the Company's purchase or sale of assets where the total asset value involved or transaction amount calculated on a cumulative basis for 12 consecutive months exceeds 30% of the Company's latest audited total assets, and the transactions stipulated under Article 47 of the Articles of Association;

(xi) to consider and approve financial assistance matters as stipulated in Article 48 of the Articles of Association;

(xii) to consider and approve matters relating to the changes in use of proceeds;

(xiii) to consider equity incentives schemes and employee stock ownership plans;

(xiv) to consider and approve related party transactions (excluding transactions in which the Company unilaterally obtains benefits and provision of guarantee by the Company) between the Company and related parties, whose amount (including assumed liabilities and expenses) is more than RMB30 million and accounts for more than 5% of the absolute value of the latest audited net assets of the Company;

(xv) to consider other matters required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association to be decided by the shareholders' general meeting.

The shareholders' general meeting may authorize the Board to make a resolution on the issuance of bonds of the Company.

The shareholders' general meeting may authorize the Board to decide on the issuance of shares not more than 50% of the shares in issue within three years. However, if the capital contributions are to be made using non-monetary properties, they shall be subject to a resolution made by the shareholders' general meeting. Where the Board decides to issue shares pursuant to this paragraph, and thus results in a change in the registered capital or the number of issued shares of the Company, the voting at the shareholders' general meeting may not be needed to revise such item set forth in the Articles of Association. Where the shareholders' general meeting authorizes the Board to decide on issuing new shares, a resolution of the Board shall be adopted by two-thirds of all the Directors.

Unless otherwise stipulated by laws, administrative regulations, requirements of the CSRC, and rules of the stock exchange in the place where the Company's shares are listed, the aforesaid powers of the shareholders' general meeting shall not be delegated to the Board or other bodies or individuals through authorization.

The shareholders' general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months from the end of the previous fiscal year.

In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:

(i) when the number of Directors falls short of the statutory number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(ii) when the unrecovered losses of the Company amount to one-third of the total paid-in share capital;

(iii) when shareholders individually or together holding 10% or more of the shares of the Company request to hold such a meeting;

(iv) when the Board deems it necessary;

(v) when the Audit and Risk Management Committee proposes to hold such a meeting;

(vi) other circumstances as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' General Meetings

The Board shall convene shareholders' general meetings on schedule within the prescribed time limit.

Independent Directors shall have the right to propose to the Board to convene an extraordinary general meeting with the approval of a majority of all independent Directors. Regarding the proposal of the independent Director to convene an extraordinary general meeting, the Board shall, according to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether or not to convene the extraordinary general meeting within ten days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. If the Board does not agree to convene the extraordinary general meeting, it shall give the reasons and make an announcement in respect thereof.

The Audit and Risk Management Committee's proposal to the Board to convene an extraordinary general meeting shall be made in writing. The Board shall, according to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether or not to convene the extraordinary general meeting within ten days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of the Audit and Risk Management Committee is required.

If the Board does not agree to hold the extraordinary general meeting or fails to give a written reply within ten days after receipt of the proposal, it shall be deemed as unable to perform or failing to perform the duty of convening the extraordinary general meeting, and the Audit and Risk Management Committee may convene and preside over the meeting by itself.

Shareholders who individually or jointly hold 10% or more of the shares of the Company may request the Board to convene an extraordinary general meeting, and such request shall be submitted in writing to the Board. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary general meeting within ten days after receiving the request.

Where the Board agrees to convene an extraordinary general meeting, it shall issue a notice of convening the meeting within five days after the Board passes the resolution, and changes to the original request in the notice shall be subject to the consent of relevant shareholders.

Where the Board does not agree to convene an extraordinary general meeting, or fails to give feedback within ten days after receiving the request, shareholders who individually or jointly holding 10% or more of the Company's shares shall have the right to propose to the Audit and Risk Management Committee to hold an extraordinary general meeting, and shall make a written request to the Audit and Risk Management Committee.

Where the Audit and Risk Management Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the meeting within five days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of relevant shareholders.

Where the Audit and Risk Management Committee fails to issue a notice of the meeting within the prescribed time limit, it shall be deemed that the Audit and Risk Management Committee has not convened and presided over the meeting, and shareholders individually or jointly holding 10% or more of the Company's shares for 90 days or more continuously may convene and preside over the meeting on their own initiatives.

Where the Audit and Risk Management Committee or shareholders decides to convene a shareholders' general meeting by itself/themselves, it/they shall notify the Board in writing and file with the stock exchange according to the securities regulatory rules of the place where the Company's shares are listed.

The Audit and Risk Management Committee or the convening shareholders shall, upon issuing a notice of the shareholders' general meeting and announcing the resolution thereof, submit the relevant documents to the stock exchange according to the securities regulatory rules of the place where the Company's shares are listed.

Prior to the announcement of the resolution of the shareholders' general meeting, the shareholding of the convening shareholders shall not be less than 10%.

Proposals and Notices of Shareholders' General Meetings

The content of a proposal shall fall within the terms of reference of the shareholders' general meeting, with clear subjects for discussion and specific issues for resolution and in compliance with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Whenever the Company convenes a shareholders' general meeting, the Board, the Audit and Risk Management Committee, and shareholder(s) individually or jointly holding 1% or more of the Company's shares shall have the right to submit proposals to the Company.

Shareholder(s) individually or jointly holding 1% or more of the Company's shares may submit written provisional proposals to the convener ten days before a shareholders' general meeting is convened. The convener shall serve a supplementary notice of the shareholders' general meeting within two days after receipt of the provisional proposals, announce the contents of the proposals and submit the proposals to the shareholders' general meeting for consideration. However, this does not apply if the provisional proposals are in violation of the provisions of laws, administrative regulations or the Articles of Association, or out of the terms of reference of the shareholders' general meeting.

Save as specified in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders' general meeting or add any new proposal after the said notice is despatched.

Proposals not set out in the notice of the shareholders' general meeting or not complying with the Articles of Association shall not be voted on or resolved at the shareholders' general meeting.

The convener shall notify each shareholder in writing (including by way of announcement) 20 days prior to the convening of an annual general meeting, and each shareholder shall be notified in writing (including by way of announcement) 15 days prior to the convening of an extraordinary general meeting. In calculating the period of advance notice, the Company shall not include the day on which the meeting is convened but shall include the day on which the notice is disclosed. If the shareholders' general meeting needs to be postponed due to the issuance of a supplementary notice of the shareholders' general meeting according to the securities regulatory rules of the place where the Company's shares are listed, the convening of the shareholders' general meeting shall be postponed according to the securities regulatory rules of the place where the Company's shares are listed.

The notice of a shareholders' general meeting shall contain:

(i) the date, venue and duration of the meeting;

(ii) matters and proposals submitted for consideration at the meeting;

(iii) a clear statement that: each shareholder is entitled to attend the shareholders' general meeting in person, or appoint one or more proxies who need not be shareholder(s) of the Company, to attend the meeting and vote on his/her behalf;

(iv) the date of record for the determination of shareholders who are entitled to attend the shareholders' general meeting;

(v) name and telephone number of the permanent contact person(s) for the meeting;

(vi) time of and procedures for voting online or by other methods.

Details of all proposals shall be fully and completely disclosed in the notice of the shareholders' general meeting and its supplementary notice.

Holding of Shareholders' General Meetings

All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the shareholders' general meeting and exercise their voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders may attend a shareholders' general meeting in person, or may appoint a proxy to attend and vote on his/her behalf. An individual shareholder who attends the meeting in person shall produce his/her own identity card or other valid documents or proof evidencing his/her identity. If he/she appoints a proxy to attend the meeting on his/her behalf, the proxy shall produce his/her own valid proof of identity and the power of attorney issued by the shareholder. The proxy need not be a shareholder of the Company.

A shareholder that is a corporation shall attend and vote at a meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall produce his/her own identity card and a valid proof of his/her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his/her own identity card and the power of attorney issued by the legal representative of the shareholder as a corporation, except for the shareholder who is a recognized clearing house and its nominees as defined in the relevant laws and regulations in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the Company's shares are listed.

The proxy form provided by a shareholder to appoint another person to attend a shareholders' general meeting shall contain the following particulars:

(i) the name of the appointer, and the class and number of shares of the Company held;

(ii) the name of the proxy;

(iii) the specific instruction from the shareholder, including the instruction on voting in favor of, against or abstention from voting in respect of each matter on the agenda of the shareholders' general meeting, and other instructions;

(iv) the date of signing of the proxy form and the effective period for such appointment;

(v) the signature (or seal) of the appointer. If the appointer is a shareholder who is a corporation, the proxy form shall be affixed with the seal of the legal entity or signed by a legally authorized person.

The power of attorney shall specify whether or not his/her proxy may vote at his/her discretion in the absence of instructions from the shareholders.

Where the voting proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney or other authorization instruments, as well as the voting proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or the person authorized by its board of directors or other decision-making bodies by way of a resolution may attend the shareholders' general meeting of the Company as a representative of such appointer.

Where such shareholder is a recognized clearing house (or its nominee), it may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' general meeting or creditors' meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect to which person is so authorized and shall be signed by the authorized person appointed by the recognized clearing house. The person so authorized may exercise the rights at any meeting (without being required to present a share certificate, notarized power of attorney and/or further evidence of due authorization) on behalf of the recognized clearing house (or its nominees), and shall enjoy the same legal rights as other shareholders, including the right to speak and vote, as if such person were an individual shareholder of the Company.

Voting and Resolutions at Shareholders' General Meetings

Resolutions of the shareholders' general meeting include ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' general meeting shall be passed by more than half of the voting rights held by the shareholders attending the shareholders' general meeting.

A special resolution at a shareholders' general meeting shall be passed by two-thirds or above of the voting rights held by the shareholders attending the shareholders' general meeting.

The following matters shall be resolved by way of an ordinary resolution at a shareholders' general meeting:

(i) work reports of the Board;

(ii) plans formulated by the Board for the distribution of profits and for making up losses;

(iii) appointment and removal of the members of the Board, their remuneration and methods of payment;

(iv) matters other than those required by the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be adopted by way of a special resolution.

The following matters shall be resolved by a special resolution at a shareholders' general meeting:

(i) the increase or reduction of registered capital of the Company;

(ii) the split, spin-off, merger, dissolution and liquidation of the Company;

(iii) amendments to the Articles of Association;

(iv) the Company's acquisition or disposal of major assets or provision of guarantees to others within one year, with an amount exceeding 30% of the Company's latest audited total assets;

(v) equity incentive schemes;

(vi) other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and those matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by way of a special resolution.

DIRECTORS AND BOARD OF DIRECTORS

General Rules for Directors

Directors shall be elected or changed at the shareholders' general meeting, and may be removed from their office by the shareholders' general meeting prior to the maturity of their term. In case of early dismissal of an independent Director, the Company shall promptly disclose the specific reasons and basis. If the independent Directors have objections, the Company shall disclose them in a timely manner. The term of office of a Director is three years and upon maturity of the term of office, a Director shall be eligible for re-election and reappointment. An independent Director shall not serve more than six consecutive years.

The term of office of Directors shall commence from the date of appointment up to the maturity of the current term of office of the Board. In the event that the terms of Directors fall upon maturity, whereas the members of the Board are not re-elected in time, the existing Directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the re-elected Directors assume their office.

Senior management may serve as the Director concurrently, provided that the Directors who act as senior management concurrently and Directors who are employee representatives shall not exceed one-half of the total Directors of the Company.

There is one Director serving as an employee representative from the Board of the Company.

Board of Directors

The Company has established the Board of Directors. The Board consists of at least 9 Directors, including independent Directors accounting for no less than 1/3 of the quorum and one employee Director. The Board of the Company shall have a chairman and a vice chairman. The chairman and vice chairman shall be elected by the Board by a majority of all Directors.

The Board shall exercise the following functions and powers:

(i) to convene shareholders' general meetings and to report on its work to the shareholders' general meeting;

(ii) to implement resolutions of the shareholders' general meeting;

(iii) to decide on the Company's operating plans and investment proposal;

(iv) to formulate the Company's profit distribution proposals and loss recovery proposal;

(v) to formulate the Company's proposals for the increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vi) to formulate the Company's material acquisition proposals, repurchase of shares of the Company in circumstances prescribed in items (i) and (ii) under the first paragraph of Article 24 of the Articles of Association and proposals for the merger, division, dissolution of the Company and change of corporate form;

(vii) to decide on the repurchase of shares of the Company in circumstances prescribed in items (iii), (v) and (vi) under the first paragraph of Article 24 of the Articles of Association;

(viii) to decide on matters such as external investment, acquisition and sale of assets, pledge of assets, external guarantees, entrusted financial management, related party transactions and external donations of the Company within the authorization of the shareholders' general meeting;

(ix) to decide on the setup of the Company's internal management organization;

(x) to decide on matters such as appointment or dismissal of the manager, the secretary to the Board and other senior management personnel of the Company and on their remuneration, reward and punishment; to decide on matters such as appointment or dismissal of the deputy manager, financial controller or other senior management personnel of the Company according to nominations of the manager of the Company and on their remuneration, reward and punishment;

(xi) to set up the basic management system of the Company;

(xii) to formulate proposals for any amendment to the Company's Articles of Association;

(xiii) to manage corporate disclosure matters;

(xiv) to propose to the shareholders' general meeting to appoint or replace the accounting firm performing the audit of the Company;

(xv) to receive reports on the work of the Company's manager and review the manager's work;

(xvi) other functions and powers as stipulated by laws, administrative regulations, departmental rules, the Articles of Association, securities regulatory rules of the place where the Company's shares are listed or conferred by the shareholders' general meeting.

Matters beyond the scope of the authorization of the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

Independent Directors

Independent Directors shall earnestly perform their duties in accordance with laws, administrative regulations, requirements of the CSRC, rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association, and participate in decision-making, supervising and balancing, and professional consulting in the Board, to safeguard the interests of the Company as a whole and to protect the legitimate rights and interests of minority shareholders. At least one-third of the Board shall be independent Directors, one of whom shall be an accounting professional. Independent directors should faithfully perform their duties, safeguard the interests of the company, and protect the legitimate rights and interests of minority shareholders from being damaged.

The Company shall establish a special meeting mechanism consisting of all the independent Directors. Prior approval by the special meeting of independent Directors is required for the consideration of related party transactions and other matters by the Board.

The Company shall convene a special meeting of independent Directors regularly or irregularly. Matters set out in items (i) to (iii) under the first paragraph of Article 132 and Article 133 of the Articles of Association shall be considered by the special meeting of independent Directors. The special meeting of independent Directors may study and discuss other matters of the Company as required.

The special meeting of independent Directors shall be convened and presided over by an independent Director jointly elected by more than half of the independent Directors; where the convener fails to perform his/her duties or is unable to perform his/her duties, two or more independent Directors may convene the meeting themselves and elect a representative to preside.

The special meeting of independent Directors shall prepare meeting minutes as prescribed, and the opinions of independent Directors shall be recorded in the meeting minutes. Independent Directors shall sign and confirm the meeting minutes. The Company shall facilitate and support the convening of special meetings of independent Directors.

Special Committees of the Board

The Board of the Company has established the Audit and Risk Management Committee, which exercises the functions and powers of the supervisory committee as stipulated in the Company Law.

The Audit and Risk Management Committee should comprise three non-executive Directors or independent Directors who are not serving as senior management of the Company. The convenor shall be an independent Director with professional accounting qualifications. Employee Directors of the Board may serve as members of the Audit and Risk Management Committee.

The Audit and Risk Management Committee is responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating the internal and external auditing work and internal control of the Company. The following matters shall be submitted to the Board for deliberation with the approval of more than half of all members of the Audit and Risk Management Committee:

(i) disclosure of financial information in financial statements and periodic reports, as well as internal control evaluation reports;

(ii) appointment or dismissal of the accounting firm that undertakes the audit engagements of the Company;

(iii) appointment or dismissal of the chief financial officer of the Company;

(iv) changes in accounting policies or accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;

(v) other matters prescribed by laws, administrative regulations, the CSRC provisions, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Board of the Company has established the Strategy and Sustainable Development Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and other special committees to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of these special committees shall be submitted to the Board for consideration. The Board shall be responsible for formulating the implementation rules of the special committees. All members of the special committees shall be directors, with each committee consisting of three members. The Compensation and Appraisal Committee and the Nomination Committee shall each have a majority of independent Directors, with an independent Director serving as convener. The Nomination Committee shall include at least one Director of a different gender.

The Nomination Committee is responsible for formulating the standards and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications for office, and making recommendations to the Board on the following matters:

(i) nominating or removing Directors;

(ii) appointing or dismissing senior management members;

(iii) other matters as provided by laws, administrative regulations, the CSRC provisions, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Remuneration and Appraisal Committee is responsible for formulating the evaluation criteria for Directors and senior management and conducting the evaluation, preparing and reviewing the remuneration policies and programs for Directors and senior management, such as the mechanism for determining the remuneration of Directors and senior management, the decision-making process, payment and clawback arrangements, and making recommendations to the Board on the following matters:

(i) the remuneration of Directors and senior management;

(ii) formulating or changing the share incentive scheme and employee share ownership scheme, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits;

(iii) arranging share ownership schemes for Directors and senior management in the subsidiaries proposed to be spun off;

(iv) other matters as provided by laws, administrative regulations, the CSRC provisions, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

SENIOR MANAGEMENT

The Company shall have one general manager who shall be appointed or removed by the Board. The Company shall have several deputy general managers who shall be nominated by the general manager and appointed or removed by the Board.

The general manager shall be held accountable to the Board and shall exercise the following functions and powers:

(i) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board and report the work to the Board;

(ii) to organize the implementation of the Company's annual operational plans and investment plans;

(iii) to formulate the Company's development plans, plans on annual production and operation, annual financial budgets and final accounts;

(iv) to formulate the Company's plans for the distribution of profits and for making up losses and report to the Board;

(v) to formulate plans for the establishment of the Company's internal management structure;

(vi) to formulate the Company's basic management systems;

(vii) to establish the Company's specific rules and regulations;

(viii) to recommend to the Board the appointment or dismissal of deputy general managers or the chief financial officer of the Company;

(ix) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the Board;

(x) to issue daily administrative and business documents, to handle external affairs on behalf of the Company and sign economic contracts concerning investments, cooperative operations, joint ventures and loans under the authorization of the Board;

(xi) other powers granted by the Articles of Association or the Board.

Except for matters that should be submitted to the Board meetings or shareholders' general meetings for review and approval as specified in the Articles of Association, other transactions, related party transactions, financial assistance and other matters of the Company shall be approved by the general manager of the Company.

The general manager shall attend Board meetings.

The Company shall have a Board secretary. The Board secretary shall be responsible for preparing the Company's shareholders' general meetings and Board meetings, maintaining documents, managing shareholder information, handling information disclosure and other matters.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall submit and disclose its annual reports to the local office of the CSRC and the stock exchange within four months from each fiscal year end, and submit and disclose the interim reports to the local office of the CSRC and the stock exchange within two months from the closing date of the first half of each fiscal year.

The aforesaid annual reports and interim reports are prepared in accordance with relevant laws, administrative regulations, departmental rules and rules of the stock exchange in the place where the Company's shares are listed.

The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

The Company is required to withdraw 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further withdrawal is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the shareholders' general meeting, after a withdrawal has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

After making up for the losses and making contributions to the statutory reserve fund, any remaining after-tax profits shall be distributed to the shareholders in proportion to their respective shareholdings, except that it is stipulated in the Articles of Association that profit distributions shall not be made in accordance with the shareholding proportion.

If the shareholders' general meeting has, in violation of the provisions of the Company Law, distributed profits to the shareholders, the shareholders shall return the profits distributed in violation of the provisions to the Company; where any loss is caused to the Company, the shareholders and the responsible Directors and senior management shall be liable for compensation.

No profits shall be distributed in respect of the shares held by the Company.

The Company shall appoint one or more collection agents for H shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H shareholders the dividends distributed and other funds payable by the Company in respect of the H Shares, and hold such monies in their custody pending payment to the H shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Internal Audit

The Company shall conduct an internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The Company's internal audit institution supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

Appointment of the Accounting Firm

The Company shall appoint an accounting firm which is qualified under the Securities Law to audit its accounting statement, conduct verification of net assets and provide other relevant consultation services. The term of appointment shall be one year and renewable.

The appointment and dismissal of an accounting firm by the Company shall be determined by the shareholders' general meeting. The Board shall not appoint an accounting firm before the decision of the shareholders' general meeting.

The Company shall provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.

The audit fees payable to an accounting firm shall be determined by the shareholders' general meeting.

30 days' prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the shareholders' general meeting of the Company.

Where the accounting firm resigns, it shall make statements to the shareholders' general meeting whether there is any impropriety existing in the Company.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved upon the occurrence of the following events:

(i) the term of its operations set out in the Articles of Association has expired, or other events of dissolution specified in the Articles of Association have occurred;

(ii) a resolution on dissolution is passed by shareholders at a shareholders' general meeting;

(iii) dissolution is necessary due to the merger or division of the Company;

(iv) the Company's business license is revoked or the Company is ordered to close down or de-registered according to the laws;

(v) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

Upon the occurrence of events of dissolution specified in the preceding paragraph, the Company shall publicize the events of dissolution through the National Enterprise Credit Information Publicity System and the website designated by securities regulation authorities (including the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk)) within 10 days.

Upon the occurrence of the situation described in items (i) and (ii) above, and if the Company has not distributed any property to its shareholders, the Company may continue to exist by amending the Articles of Association or by resolution of the shareholders' general meeting.

Amendments to the Articles of Association pursuant to the preceding paragraph or by resolution of the shareholders' general meeting shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.

Where the Company is dissolved in accordance with items (i), (ii), (iv) and (v) above, it shall be liquidated. The Directors are the obligors of liquidation of the Company, and shall establish a liquidation committee to carry out liquidation within 15 days from the date of occurrence of events giving rise to dissolution. The liquidation committee shall consist of Directors, unless otherwise provided in the Articles of Association or other persons elected at the shareholders' general meeting. If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

The liquidation committee shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement on the designated media or the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation committee.

Where creditors file their creditors' rights, they shall explain the matters related to creditors' rights, and shall provide the evidentiary materials. The liquidation committee shall register the creditors' rights.

The liquidation committee may not clear off any of the debts of any creditors during the period of filing creditors' rights.

After the liquidation committee has liquidated the assets of the Company and has prepared the balance sheets and inventory of assets, it shall formulate a plan of liquidation and report it to the shareholders' general meeting or the People's Court for confirmation.

The remaining assets after paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed in proportion to the shareholding of the shareholders.

During the period of liquidation, the Company continues to exist but shall not carry out any business operation that is not related to liquidation. Before the settlement of repayments as provided in the preceding article has been made, the Company's properties shall not be distributed to shareholders.

Should the liquidation committee find that the properties of the Company are insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and inventory of assets, it shall apply to the People's Court for bankruptcy liquidation.

Once the People's Court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit the same to the shareholders' general meeting or the People's Court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under any one of the following circumstances, the Company will amend its Articles of Association:

(i) after an amendment has been made to the Company Law or relevant laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed, the contents of the Articles of Association shall conflict with the amended laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed;

(ii) the changes that the Company has undergone are inconsistent with the records made in the Articles of Association;

(iii) the shareholders' general meeting decides that the Articles of Association should be amended.

Should the amendment to the Articles of Association passed by resolutions at the shareholders' general meeting be subject to the approval by the competent authorities, it shall be reported to the competent authorities for approval; and if any company registration information is involved, the alteration to such registration information shall be handled according to the laws.

Any amendment to the Articles of Association that involves information to be disclosed as required by the laws, regulations and securities regulatory rules of the place where the Company's shares are listed shall be publicly announced in accordance with such requirements.

The Board shall amend the Articles of Association according to the resolutions of the shareholders' general meeting and the approval opinions from relevant competent authorities.

(A) FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was established as a limited liability company under the laws of the PRC on August 29, 2005, and was converted into a joint stock limited company on November 19, 2020. Our Company completed the listing of our A Shares on the Shanghai Stock Exchange (stock code: 603296) in August 8, 2023.

Our Company has established a place of business in Hong Kong at Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on September 16, 2025. Ms. Ng Wai Kam has been appointed as our agent for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As the Company was incorporated 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 Appendix IV and V to this prospectus, respectively.

2. Changes in Share Capital of our Company

On March 14, 2024, the registered capital of our Company increased from RMB724,252,410 to RMB725,801,805.

On June 19, 2024, the registered capital of our Company increased from RMB725,801,805 to RMB1,015,479,137.

On October 12, 2024, the registered capital of our Company increased from RMB1,015,479,137 to RMB1,015,890,620.

On August 12, 2025, the registered capital of our Company decreased from RMB1,015,890,620 to RMB1,015,754,580.

On November 20, 2025, the registered capital of our Company decreased from RMB1,015,754,580 to RMB1,015,732,344.

Save as disclosed above, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this prospectus.

3. Changes in Share Capital of our Major Subsidiaries

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in respect of disclosing the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this prospectus. For details, see "Waivers and Exemptions — Waiver in respect of Alteration in Share Capital" in this prospectus.

The following sets forth the changes in the share capital of the Major Subsidiaries within two years immediately preceding the date of this prospectus:

On March 15, 2024, the registered capital of RQ Technology Electronics Viet Nam Company Limited increased from USD9 million to USD9.5 million and then increased to USD19.5 million on March 24, 2025.

On April 2, 2024, the registered capital of Huaqin Telecom Hong Kong Limited (華勤通訊香港有限公司) increased from HKD391,035,000 to HKD784,137,190.

On October 17, 2024, the registered capital of Nanchang Qinsheng Electronic Technology Co., Ltd. (南昌勤勝電子科技有限公司) was increased from RMB100 million to RMB1 billion.

On April 24, 2025, the registered capital of EVEX TECHNOLOGY increased from RMB600 million to RMB800 million, and following such capital increase, EVEX TECHNOLOGY was owned as to 75.00% by our Company, as to 2.50% by Shanghai Aoqin, as to 4.80% by Mr. Deng Zhiguo, as to 2.50% by Mr. Wu Zhenhai and as to 15.20% by four other shareholders who were Independent Third Parties.

Save as disclosed above, there has been no alteration in the share capital of our major subsidiaries within the two years immediately preceding the date of this prospectus.

4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the Global Offering

At the general meeting of the Shareholders held on September 10, 2025, the following resolutions, among other things, were duly passed:

(a) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the Over-allotment Option shall not exceed 8% of the enlarged share capital of our Company upon completion of the Global Offering and granting to 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 Articles of Association has been approved and adopted, which shall only become effective on the Listing Date, and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(d) authorizing our Board and its authorized persons to handle all relevant matters relating to, among other things, the Global Offering, the issue of H Shares and the Listing.

(B) FURTHER INFORMATION ABOUT OUR BUSINESS

1. 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 immediately preceding the date of this prospectus that are or may be material:

(a) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, JPMorgan Asset Management (Asia Pacific) Limited, China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which JPMorgan Asset Management (Asia Pacific) Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$68 million;

(b) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, UBS Asset Management (Singapore) Ltd. (in its capacity as the delegate of the investment manager for and on behalf of the investors listed in the agreement), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which UBS Asset Management (Singapore) Ltd. (in its capacity as the delegate of the investment manager for and on behalf of the investors listed in the agreement) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(c) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, CICC Financial Trading Limited, China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited, pursuant to which CICC Financial Trading Limited has agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$12.20 million and hold such H Shares on a non-discretionary basis to hedge a series of cross border delta-one OTC swap transactions entered into by CICC Financial Trading Limited, China International Capital Corporation Limited (中國國際金融股份有限公司) and Shanghai Gaoyi Asset Management Partnership (Limited Partnership) (上海高毅資產管理合夥企業(有限合夥)) as investment manager for and on behalf of certain investment funds;

(d) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Perseverance Asset Management International (Singapore) Pte. Ltd. (acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Perseverance Asset Management International (Singapore) Pte. Ltd. (acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$7.8 million;

(e) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Cloud Map Holdings Limited, China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Cloud Map Holdings Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$20 million;

(f) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Taikang Life Insurance Co., Ltd. (泰康人壽保險有限責任公司), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Taikang Life Insurance Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$20 million;

(g) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, 3W Fund Management Limited, China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which 3W Fund Management Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$15 million;

(h) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, New China Asset Management (Hong Kong) Limited (新華資產管理(香港)有限公司), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which New China Asset Management (Hong Kong) Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(i) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Everbright Wealth Management Co., Ltd. (光大理財有限責任公司), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Everbright Wealth Management Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(j) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, IvyRock Asset Management (HK) Limited (常春藤資產管理(香港)有限公司) (in its capacity as the discretionary investment/asset manager to the investors listed in the agreement), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which IvyRock Asset Management (HK) Limited (in its capacity as the discretionary investment/asset manager to the investors listed in the agreement) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(k) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Aurora SF, China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Aurora SF agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$25 million and hold such H Shares on a non-discretionary basis to hedge the cross-border total return swap entered into by OCBC Singapore and OCBC Bank Limited;

(l) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Kingboard Investments Limited (建滔投資有限公司), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Kingboard Investments Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$25 million;

(m) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, WILL Semiconductor Limited (韋爾半導體香港有限公司), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which WILL Semiconductor Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$15 million;

(n) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Green Better Limited, China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Green Better Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(o) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Hongxing International Technology Limited (宏興國際科技有限公司), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Hongxing International Technology Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(p) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Ingenic Semiconductor (HongKong) Group Limited (北京君正集成電路(香港)集團有限公司), China International Capital Corporation Hong Kong Securities

Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Ingenic Semiconductor (HongKong) Group Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(q) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, Awinic Technology Limited (艾唯技術有限公司), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which Awinic Technology Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10 million;

(r) the cornerstone investment agreement dated April 13, 2026 entered into among the Company, JinYi Capital Multi-Strategy Fund SPC Ltd. (acting for and on behalf of Structured Credit SP Fund), China International Capital Corporation Hong Kong Securities Limited and Merrill Lynch (Asia Pacific) Limited pursuant to which JinYi Capital Multi-Strategy Fund SPC Ltd. (acting for and on behalf of Structured Credit SP Fund) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$2 million; and

(s) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights or industrial 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	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
1.	Huabel	Dongguan Huabei Electronic Technology Co., Ltd.	China	40	12899004	December 13, 2034
2.	华贝科技	Dongguan Huabei Electronic Technology Co., Ltd.	China	40	12899000	November 27, 2034
3.		Dongguan Huabei Electronic Technology Co., Ltd.	China	40	12899002	April 13, 2035
4.		Our Company	China	09	17843433	October 13, 2026
5.		Our Company	China	42	17843431	October 13, 2026
6.		Our Company	China	38	17843432	October 13, 2026

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
7.	华勤	Our Company	China	42	52560201	August 20, 2031
8.	华勤	Our Company	China	09	52534276	December 20, 2031
9.	HUAQIN	Our Company	China	09	52521716	November 20, 2031
10.	HUAQIN	Our Company	China	37	52538129	November 27, 2031
11.	HQ	Our Company	China	07	52536221	October 27, 2031
12.	华勤	Our Company	China	38	52554795	April 13, 2034
13.	华勤	Our Company	China	37	52518183	October 13, 2031
14.	HUAQIN	Our Company	China	07	52523311	January 6, 2032
15.	HUAQIN	Our Company	China	40	52539079	November 27, 2031
16.	华勤	Our Company	China	07	52522033	December 6, 2031
17.	HQ	Our Company	Hong Kong	40	305585347	April 6, 2031
18.	HUAQIN	Our Company	Hong Kong	09	305585301	April 6, 2031
19.	HUAQIN	Our Company	Hong Kong	40	305585338	April 6, 2031
20.	HUAQIN	Our Company	Hong Kong	42	305585365	April 6, 2031
21.	华勤	Our Company	Hong Kong	09	305585329	April 6, 2031
22.	华勤	Our Company	Hong Kong	40	305585356	April 6, 2031
23.	华勤	Our Company	Hong Kong	42	305585383	April 6, 2031
24.	华勤	Our Company	Taiwan, China	09	02178870	October 31, 2031
25.	华勤	Our Company	Taiwan, China	40	02180520	October 31, 2031
26.	华勤	Our Company	Taiwan, China	42	02197616	January 15, 2032
27.	HQ	Our Company	Taiwan, China	09	02188847	December 15, 2031
28.	HQ	Our Company	Taiwan, China	40	02183848	November 15, 2031
29.	HQ	Our Company	Taiwan, China	42	02207076	February 29, 2032
30.	HUAQIN	Our Company	Taiwan, China	09	02182043	November 15, 2031
31.	HUAQIN	Our Company	Taiwan, China	40	02183849	November 15, 2031
32.	HUAQIN	Our Company	Taiwan, China	42	02197615	January 15, 2032

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
33.	HUAQIN	Our Company	Brazil	09, 40, 42	1611897	March 30, 2031
34.	HUAQIN	Our Company	Germany	09, 40, 42	1611897	March 30, 2031
35.	HUAQIN	Our Company	France	09, 40, 42	1611897	March 30, 2031
36.	HUAQIN	Our Company	South Korea	09, 40, 42	1611897	March 30, 2031
37.	HUAQIN	Our Company	The U.S.	40, 42	1611897	March 30, 2031
38.	HUAQIN	Our Company	Mexico	09, 40, 42	1611897	March 30, 2031
39.	HUAQIN	Our Company	Japan	09, 40, 42	1611897	March 30, 2031
40.	HUAQIN	Our Company	Singapore	09, 40, 42	1611897	March 30, 2031
41.	HUAQIN	Our Company	India	09, 40, 42	1611897	March 30, 2031
42.	HUAQIN	Our Company	Indonesia	09, 40, 42	1611897	March 30, 2031
43.		Our Company	Brazil	09, 40	1612087	March 30, 2031
44.		Our Company	Germany	09, 40, 42	1612087	March 30, 2031
45.		Our Company	France	09, 40, 42	1612087	March 30, 2031
46.		Our Company	South Korea	09, 40, 42	1612087	March 30, 2031
47.		Our Company	The U.S.	09, 40, 42	1612087	March 30, 2031
48.		Our Company	Mexico	09, 40, 42	1612087	March 30, 2031
49.		Our Company	Japan	09, 40, 42	1612087	March 30, 2031
50.		Our Company	Singapore	09, 40, 42	1612087	March 30, 2031
51.		Our Company	Indonesia	09, 40, 42	1612087	March 30, 2031
52.		Our Company	Britain	09, 40, 42	1612087	March 30, 2031
53.	HUAQIN	Our Company	Britain	09, 40, 42	1611897	March 30, 2031
54.	HUAQIN	Our Company	Vietnam	09, 40, 42	1611897	March 30, 2031
55.		Our Company	Vietnam	09, 40, 42	1612087	March 30, 2031
56.	HUAQIN	Our Company	Hong Kong	09	305999591	June 29, 2032
57.	HUAQIN	Our Company	Hong Kong	42	305999582	June 29, 2032

(b) Patents

As of the Latest Practicable Date, we had registered the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
1.	An electronic equipment (一種電子設備)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202210768446.3	June 30, 2042
2.	Split circuit structure for intelligent device, intelligent wearable device and test method thereof (智能設備用分體電路結構、智能穿戴設備及其測試方法)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202210762987.5	June 30, 2042
3.	Color cast detection method and device, electronic equipment and storage medium (一種偏色檢測方法、裝置、電子設備和存儲介質)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202210771751.8	June 30, 2042
4.	Image simulation method and device (一種圖像模擬方法及裝置)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202210784925.4	June 29, 2042
5.	Antenna structure applied to terminal equipment and terminal equipment (應用於終端設備的天線結構和終端設備)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202210737678.2	June 27, 2042
6.	Touch panel mounting structure, touch module and electronic equipment (觸控板安裝結構、觸控模組及電子設備)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202210296540.3	March 24, 2042
7.	Control method and device of external input equipment and electronic equipment (一種外接輸入設備的控制方法、裝置及電子設備)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202210197429.9	March 1, 2042
8.	Detachable connecting part and wearable equipment (一種可拆卸的連接件及可穿戴設備)	Dongguan Huabei Electronic Technology Co., Ltd.	Invention	202110571858.3	May 25, 2041
9.	Loudspeaker sound cavity structure and portable electronic equipment (揚聲器音腔結構及便攜式電子設備)	Dongguan Huabei Electronic Technology Co., Ltd.	Utility model	202320846259.2	April 14, 2033
10.	Hot air gun (熱風槍)	EVEX TECHNOLOGY CO., LTD	Invention	202210763770.6	June 30, 2042

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
11.	PXE technology-based operating system installation method and device (基於PXE技術的操作系統安裝方法及裝置)	EVEX TECHNOLOGY CO., LTD	Invention	202210755864.9	June 29, 2042
12.	Image quality automatic detection method and device based on image processing, and storage medium (基於圖像處理的圖片質量自動檢測方法、裝置及存儲介質)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202310699575.6	June 13, 2043
13.	AE objective index automatic analysis method and device based on image processing (基於圖像處理的AE客觀指標自動分析方法及裝置)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202310700758.5	June 13, 2043
14.	ISP objective index automatic analysis method and device based on image processing (基於圖像處理的ISP客觀指標自動分析方法及裝置)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202310700690.0	June 13, 2043
15.	Touch pen positioning device and electronic equipment (觸控筆定位裝置及電子設備)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202310554171.8	May 16, 2043
16.	Terminal radio frequency path test method and system (一種終端射頻通路測試方法及系統)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202310341895.4	March 31, 2043
17.	Code development management method (代碼開發管理方法)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202310345875.4	March 31, 2043
18.	Electronic equipment and foot pad thickness self-adaptive adjusting method thereof (一種電子設備及其腳墊厚度自適應調節方法)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202310075339.7	February 1, 2043
19.	Dual-card communication method and device, electronic equipment and computer readable storage medium (雙卡通信方法、裝置、電子設備及計算機可讀存儲介質)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202210763769.3	June 30, 2042
20.	Screen module and notebook computer (一種屏幕模組及筆記本電腦)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202210760221.3	June 30, 2042

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
21.	Communication method and device (一種通信方法及裝置)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202210761535.5	June 29, 2042
22.	Universal pressing computer touchpad (一種全域按壓電腦觸控板)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	202210108170.6	January 28, 2042
23.	Audio circuit based on mobile terminal and mobile terminal (一種基於移動終端的音頻電路及移動終端)	Guangdong Hongqin Telecom Technology Co., Ltd.	Utility model	202420589206.1	March 25, 2034
24.	Dual-frequency WIFI 6E antenna and terminal (雙頻WIFI 6E天線及終端)	Guangdong Hongqin Telecom Technology Co., Ltd.	Utility model	202320255742.3	February 17, 2033
25.	Display module and mobile terminal (顯示模組及移動終端)	Guangdong Qiyang Technology Co., Ltd.	Invention	202210751102.1	June 28, 2042
26.	Flexible circuit board, folding assembly and electronic equipment (一種柔性電路板、折疊組件及電子設備)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Invention	202210282963.X	March 22, 2042
27.	Multi-view camera module (多視角攝像頭模組)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Utility model	202420356993.5	February 26, 2034
28.	Microphone sealing structure and electronic equipment (麥克風密封結構及電子設備)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Utility model	202420269303.2	February 2, 2034
29.	Wristband device (腕帶設備)	Our Company	Invention	202210977213.4	August 15, 2042
30.	Head-mounted wireless earphone and charging system (頭戴式無線耳機及充電系統)	Our Company	Invention	202210835812.2	July 15, 2042
31.	Shell machining method and shell (殼體加工方法及殼體)	Our Company	Invention	202210666452.8	June 14, 2042
32.	Soft package button cell module, sound production device and electronic equipment (軟包扣式電池模塊、發聲裝置及電子設備)	Our Company	Invention	202210556397.7	May 20, 2042
33.	Call processing method, device, equipment, medium and program product (呼叫處理方法、裝置、設備、介質和程序產品)	Our Company	Invention	202210330296.8	March 31, 2042

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
34.	Volume control method of wireless earphone and wireless earphone (一種無線耳機的音量控制方法及無線耳機)	Our Company	Invention	202210334332.8	March 30, 2042
35.	Antenna device and transmitting device (一種天線裝置及發射裝置)	Our Company	Utility model	202320756852.8	April 7, 2033
36.	Loudspeaker module and electronic equipment (一種揚聲器模組及電子設備)	Our Company	Utility model	202022103699.8	September 23, 2030
37.	Terminal assembly and terminal (終端組件及終端)	Our Company	Utility model	202022101231.5	September 22, 2030
38.	Color correction method and device for camera module (一種攝像模組的色彩校正方法及裝置)	Nanchang HuaQin Electronic Technology Co., Ltd.	Invention	202210742546.9	June 27, 2042
39.	Web application instant message notification system, method and server (Web應用即時消息通知系統、方法及服務器)	Nanchang HuaQin Electronic Technology Co., Ltd.	Invention	202210051796.8	January 17, 2042
40.	Earphone active noise reduction bottom noise test method, device and equipment (耳機主動降噪底噪測試方法、裝置及設備)	Nanchang Qinsheng Electronic Technology Co., Ltd.	Invention	202210833887.7	July 15, 2042
41.	Steel shell button cell, sound production device and electronic equipment (鋼殼扣式電池、發聲裝置及電子設備)	Nanchang Qinsheng Electronic Technology Co., Ltd.	Invention	202210770021.6	June 30, 2042
42.	TWS earphone charging connection structure and TWS earphone (TWS耳機充電連接結構及TWS耳機)	Nanchang Qinsheng Electronic Technology Co., Ltd.	Utility model	202320894989.X	April 20, 2033
43.	Discharging control method and device of battery and storage medium (電池的放電控制方法、裝置及存儲介質)	Nanchang Yiqin Technology Co., Ltd.	Invention	202210905749.5	July 29, 2042
44.	Auxiliary assembling device for electronic products (一種電子產品輔助組裝裝置)	Nanchang Yiqin Technology Co., Ltd.	Invention	202210762509.4	June 30, 2042

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
45.	A control method, device and equipment applied to electronic devices (應用於電子設備的控制方法、裝置和設備)	Nanchang Yiqin Technology Co., Ltd.	Invention	202210550938.5	May 20, 2042
46.	Watch (一種手錶)	Chuanggong Telecom Technology Co., Ltd.	Invention	202210640309.1	June 7, 2042
47.	Loop antenna and TWS earphone (回路天線及TWS耳機)	Chuanggong Telecom Technology Co., Ltd.	Invention	202210346772.5	March 31, 2042
48.	Method and device for adjusting backlight brightness (一種調節背光亮度的方法及裝置)	Chuanggong Telecom Technology Co., Ltd.	Invention	202210342915.5	March 31, 2042
49.	Method for testing earphone wearing consistency, testing device, electronic equipment and medium (測試耳機佩戴一致性的方法、測試裝置、電子設備及介質)	Shanghai Moqin Intelligent Technology Co., Ltd.	Invention	202210861570.4	July 20, 2042
50.	Brightness dynamic adjustment method and device, terminal and storage medium (亮度動態調節方法、裝置、終端及存儲介質)	Shanghai Moqin Intelligent Technology Co., Ltd.	Invention	202210769477.0	June 30, 2042
51.	Optical system and projector (一種光學系統及投影儀)	Shanghai Moqin Intelligent Technology Co., Ltd.	Invention	202210764822.1	June 29, 2042
52.	Earphone touch test device, test system and test method (耳機觸控測試裝置、測試系統以及測試方法)	Shanghai Moruan Telecom Technology Co., Ltd.	Invention	202210342988.4	March 31, 2042
53.	Key structure and electronic equipment (按鍵結構及電子設備)	Shanghai Moruan Telecom Technology Co., Ltd.	Invention	202210096113.0	January 26, 2042
54.	Watchband assembly and wearable device (錶帶組件及可穿戴設備)	Shanghai Moruan Telecom Technology Co., Ltd.	Utility model	202320462480.8	March 9, 2033
55.	Mini LED-based VR display screen and VR device (基於Mini LED的VR顯示屏及VR設備)	Shanghai Qinkuan Technology Co., Ltd.	Invention	202210764455.5	June 29, 2042
56.	Wireless earphone and charging method of wireless earphone (無線耳機及無線耳機的充電方法)	Shanghai Qinkuan Technology Co., Ltd.	Invention	202210307186.X	March 25, 2042

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
57.	Authentication method and device, and storage medium (一種鑑權方法及設備、存儲介質)	Wuxi Ruiqin Technology Co., Ltd.	Invention	202210762998.3	June 30, 2042
58.	Glasses (一種眼鏡)	Wuxi Ruiqin Technology Co., Ltd.	Invention	202210328079.5	March 30, 2042
59.	Display screen assembly (顯示屏組件)	Wuxi Ruiqin Technology Co., Ltd.	Utility model	202420267759.5	February 2, 2034
60.	Graphics processing unit card fixing device and electronic equipment (圖形處理單元卡固定裝置及電子設備)	Xi'an Dongqin Technology Co., Ltd.	Utility model	202420762078.6	April 12, 2034
61.	Silicone grease coating device (硅脂塗覆裝置)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210752256.2	June 29, 2042
62.	Bluetooth device test method, system and device, connection device and medium (藍牙設備的測試方法、系統、裝置、連接設備和介質)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210753510.0	June 28, 2042
63.	Windowing method of cover film of flexible circuit board (柔性電路板的覆蓋膜的開窗方法)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210745301.1	June 27, 2042
64.	Fan module and electronic equipment (風扇模組和電子設備)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210719726.5	June 23, 2042
65.	Multilayer printed circuit board (多層印製電路板)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210562806.4	May 23, 2042
66.	Card fixing device (一種卡的固定裝置)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210565032.0	May 23, 2042
67.	System clock synchronization method, device and system and storage medium (系統時鐘同步方法、裝置、系統及存儲介質)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210535939.2	May 17, 2042
68.	Quick release structure and wearable device (一種快拆結構及穿戴設備)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210499933.4	May 9, 2042
69.	Wearable equipment testing device and testing method (可穿戴設備測試裝置及測試方法)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210435774.1	April 24, 2042
70.	Electronic equipment and voltage data transmission method (一種電子設備及電壓數據的傳輸方法)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210276913.0	March 21, 2042

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
71.	Hot plugging prevention method and device for product assembly, electronic equipment and storage medium (產品組裝的防帶電插拔方法、裝置、電子設備及存儲介質)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210267981.0	March 17, 2042
72.	Quick release structure and wearable device (快拆結構及穿戴設備)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210139598.7	February 15, 2042
73.	Wrist wearing equipment (一種腕戴設備)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210127583.9	February 11, 2042
74.	Radio frequency receiving method and device (一種射頻接收方法及裝置)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	202210037146.8	January 13, 2042
75.	Wearable electronic device (可穿戴電子設備)	Xi'an YEP Telecom Technology Co., Ltd.	Utility model	202021162052.6	June 22, 2030
76.	Antenna circuit based on CA carrier aggregation technology and antenna device thereof (基於CA載波聚合技術的天線電路及其天線裝置)	Wuxi Ruiqin Technology Co., Ltd.	Utility model	202020968355.0	June 1, 2030
77.	Wearable device (一種可穿戴設備)	Xi'an YEP Telecom Technology Co., Ltd.	Utility model	202020472169.8	April 2, 2030
78.	Fixing structure of connector and mobile terminal (一種連接器的固定結構及移動終端)	Xi'an YEP Telecom Technology Co., Ltd.	Utility model	202020393910.1	March 25, 2030
79.	Pressing structure and electronic device (一種壓緊結構及電子裝置)	Xi'an YEP Telecom Technology Co., Ltd.	Utility model	202020237782.1	March 2, 2030
80.	Circuit board and electronic equipment (一種電路板及電子設備)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	201910859960.6	September 11, 2039
81.	Wireless communication device, radio frequency integrated circuit and electronic terminal (無線通信裝置、射頻集成電路和電子終端)	Chuanggong Telecom Technology Co., Ltd.	Invention	201910570217.9	June 27, 2039
82.	Waterproof and salt mist corrosion prevention structure and electronic equipment (一種防水防鹽霧腐蝕結構及電子設備)	Shanghai Moruan Telecom Technology Co., Ltd.	Invention	201910438354.7	May 24, 2039
83.	Heat dissipation device and manufacturing method thereof (散熱裝置及其製造方法)	Guangdong Hongqin Telecom Technology Co., Ltd.	Invention	201910108460.9	January 31, 2039
84.	SSD fixing mechanism (SSD固定機構)	Guangdong Ruiqin Technology Co., Ltd.	Utility model	202323445516.0	December 15, 2033

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
85.	Pre-fixing structure of shielding case and notebook computer (一種屏蔽罩的預固定結構及筆記本電腦)	Wuxi Ruiqin Technology Co., Ltd.	Utility model	202323097060.3	November 16, 2033
86.	Assembly structure of antenna terminal and WIFI module and electronic equipment (一種天線端子與WIFI模塊的組裝結構及電子設備)	Nanchang Huaqin Electronic Technology Co., Ltd.	Utility model	202322653486.6	September 28, 2033
87.	Cable assembly (線纜組件)	Nanchang Huaqin Electronic Technology Co., Ltd.	Utility model	202321878246.X	July 17, 2033
88.	Electronic equipment key structure and electronic equipment (電子設備按鍵結構及電子設備)	Nanchang Huaqin Electronic Technology Co., Ltd.	Utility model	202223338289.7	December 13, 2032
89.	Touch module supporting assembly and notebook computer (一種觸控模組支撐組件及筆記本電腦)	Shanghai Moruan Telecom Technology Co., Ltd.	Utility model	202222305714.6	August 31, 2032
90.	Keyboard assembly and electronic equipment (鍵盤組件以及電子設備)	Guangdong Hongqin Telecom Technology Co., Ltd.	Utility model	202222216540.6	August 22, 2032
91.	Loudspeaker structure capable of preventing wire resonance and electronic equipment (防導線共振的喇叭結構及電子設備)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Utility model	202221972512.0	July 28, 2032
92.	Notebook computer loudspeaker interference fixing structure and notebook computer (一種筆記本揚聲器過盈固定結構及筆記本電腦)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Utility model	202221586224.1	June 23, 2032
93.	Symmetrical microphone rubber sleeve, display module and notebook computer (一種對稱式麥克風膠套、顯示模組及筆記本電腦)	Guangdong Hongqin Telecom Technology Co., Ltd.	Utility model	202221571042.7	June 22, 2032
94.	Enclosed structure of microphone and notebook computer (一種麥克風的密閉結構及筆記本電腦)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Utility model	202221556578.1	June 21, 2032
95.	Narrow-frame camera structure (窄邊框攝像頭結構)	Wuxi Ruiqin Technology Co., Ltd.	Utility model	202221250507.9	May 23, 2032

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
96.	Loudspeaker wire outlet plugging structure and loudspeaker (一種適用於揚聲器的出線口封堵結構及揚聲器)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Utility model	202220689707.8	March 28, 2032
97.	Touch panel module structure (一種觸摸板模組結構)	Nanchang Huaqin Electronic Technology Co., Ltd.	Utility model	202123419851.4	December 30, 2031
98.	Double-screen notebook (一種雙屏筆記本)	Guangdong Hongqin Telecom Technology Co., Ltd.	Utility model	202123290972.3	December 24, 2031
99.	Terminal device (一種終端設備)	Guangdong Hongqin Telecom Technology Co., Ltd.	Utility model	202122514595.0	October 19, 2031
100.	Shell structure and electronic device for preventing headphone short circuits (一種預防耳機短路的殼體結構以及電子設備)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	Utility model	202121235644.0	June 3, 2031
101.	Camera module and electronic equipment (攝像頭模組及電子設備)	Guangdong Hongqin Telecom Technology Co., Ltd.	Utility model	202021250399.6	June 30, 2030
102.	Notebook computer support and notebook computer (筆記本電腦支架及筆記本電腦)	Wuxi Ruiqin Technology Co., Ltd.	Utility model	202021233555.8	June 29, 2030
103.	Electronic device (電子設備)	Wuxi Ruiqin Technology Co., Ltd.	Utility model	202021053509.X	June 9, 2030
104.	Touchpad module and electronic terminal (觸摸板模組及電子終端)	Wuxi Ruiqin Technology Co., Ltd.	Invention	201911338544.8	December 23, 2039
105.	Method and terminal for controlling transmission power (一種控制發射功率的方法及終端)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	US10,820,281	December 30, 2036
106.	Method and terminal for controlling transmission power (一種控制發射功率的方法及終端)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	DE11 2016 007 558	December 30, 2036
107.	Adaptive antenna switching system and switching method, and intelligent terminal (自適應天線切換系統及切換方法及智能終端)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	US10,707,933	December 29, 2036
108.	Mobile terminal and radio frequency fingerprint identification apparatus and method thereof (移動終端及其射頻指紋識別裝置和方法)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	US11,036,956	December 15, 2037

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
109.	Mobile terminal and radio frequency fingerprint identification apparatus and method thereof (移動終端及其射頻指紋識別裝置和方法)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	DE11 2017 007 804	December 15, 2037
110.	Terminal device (一種終端設備)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	US10985461	December 12, 2038
111.	Temperature compensation method for SAR sensor of terminal, and terminal (對終端的SAR傳感器進行溫度補償的方法及終端)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	US11366137	November 28, 2038
112.	Terminal SAR method and terminal of temperature compensation for sensors (一種對終端的SAR傳感器進行溫度補償的方法及終端)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	DE11 2018 007 198	November 28, 2038
113.	Terminal verification method, and AP device, terminal and system (一種終端驗證方法、AP設備、終端及系統)	Xi'an YEP Telecom Technology Co., Ltd.	Invention	US11582606	December 12, 2038
114.	Display control method and system for display screen (顯示屏的顯示控制方法及系統)	Our Company	Invention	US10847084	November 22, 2039
115.	Interface display method to reduce power consumption of electronic device with fingerprint sensor (降低帶指紋傳感器電子設備功耗的界面顯示方法)	Our Company	Invention	US11367302	December 8, 2038

(c) Copyrights

As of the Latest Practicable Date, we had registered the following computer software copyrights which we consider to be material to our Group's business:

No.	Copyright	Registered Owner	Registration Number	Registration Date	Date of First Publication
1.	An automatic analysis software of APP performance for smart terminals and of Hongqin (虹勤智能終端APP運行性能自動分析軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2024SR0437659	March 27, 2024	January 3, 2024

No.	Copyright	Registered Owner	Registration Number	Registration Date	Date of First Publication
2.	A performance testing and automation comparison software for smart terminals of Hongqin (虹勤智能終端性能測試自動化比對軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2024SR0437710	March 27, 2024	January 21, 2024
3.	A mobile photo editing and processing software of Hongqin (虹勤手機照片編輯處理軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2024SR1097389	July 31, 2024	May 31, 2024
4.	A camera mirror control software of Hongqin (虹勤相機鏡像控制軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2024SR1267328	August 29, 2024	June 21, 2024
5.	A photo portrait editing software of Hongqin (虹勤照片人像編輯軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2024SR1267614	August 29, 2024	June 25, 2024
6.	A data processing software of log file for smart wearables of Hongqin (虹勤智能穿戴設備日誌文件數據處理軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2024SR1267681	August 29, 2024	June 21, 2024
7.	A data interaction management software for smart terminals of Hongqin (虹勤智能終端器件數據交互管理軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2024SR1460473	September 30, 2024	July 31, 2024
8.	An automatic update software for terminal graphics card of Hongqin (虹勤終端顯卡自動更新軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2025SR0041619	January 8, 2025	September 24, 2024
9.	An automatic signature software for notebook firmware of Hongqin (虹勤筆記本固件自動簽名軟件)	Guangdong Hongqin Telecom Technology Co., Ltd.	2025SR0043197	January 8, 2025	October 25, 2024

No.	Copyright	Registered Owner	Registration Number	Registration Date	Date of First Publication
10.	An visualization detection software of optical center for smart terminal camera of Industrial Design and Research Institute (工研院智能終端攝像頭光心可視化檢測軟件)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	2024SR1572875	October 21, 2024	August 17, 2024
11.	A color temperature calibration and testing software for smart terminals of Industrial Design and Research Institute (工研院智能終端色溫校準及測試軟件)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	2025SR0037219	January 7, 2025	October 25, 2024
12.	A face unlocking data analysis software of smart terminals for Industrial Design and Research Institute (工研院智能終端人臉解鎖數據分析軟件)	Guangdong Bay Area Intelligent Terminal Industrial Design and Research Institute Co., Ltd.	2025SR0316033	February 24, 2025	November 27, 2024
13.	XLab acoustic simulation software for products of Huaqin (華勤XLab面向產品的聲學仿真軟件)	Our Company	2024SR0818673	June 17, 2024	April 15, 2024
14.	A management system for platform case Huaqin (華勤平台case管理系統)	Our Company	2024SR1039363	July 22, 2024	May 17, 2024
15.	A brightness adjustment software for intelligent device flash of Huaqin (華勤智能設備閃光燈亮度調節軟件)	Our Company	2024SR1039373	July 22, 2024	May 16, 2024
16.	A light effect control software for bluetooth speaker of Huaqin (華勤藍牙音箱燈效控制軟件)	Our Company	2024SR1473542	October 8, 2024	July 31, 2024
17.	An ECG production and testing software for smart wearables of Yiqin (逸勤智能穿戴設備ECG生產測試軟件)	Nanchang Yiqin Technology Co., Ltd.	2024SR0858643	June 24, 2024	April 3, 2024

No.	Copyright	Registered Owner	Registration Number	Registration Date	Date of First Publication
18.	An encryption software for autonomous remote signature of Yiqin (逸勤自主遠程簽名加密軟件)	Nanchang Yiqin Technology Co., Ltd.	2024SR0862062	June 24, 2024	April 7, 2024
19.	A packet sticking and unpacking processing software for BT data of Yiqin (逸勤BT數據黏包拆包處理軟件)	Nanchang Yiqin Technology Co., Ltd.	2024SR1079499	July 29, 2024	May 22, 2024
20.	A sleep wake-up analysis software for mobile phone of Yiqin (逸勤手機休眠喚醒解析軟件)	Nanchang Yiqin Technology Co., Ltd.	2024SR1080089	July 29, 2024	May 18, 2024
21.	A problem analysis software for notebook embedded chips of Yiqin (逸勤筆記本嵌入式芯片問題分析軟件)	Nanchang Yiqin Technology Co., Ltd.	2024SR1598615	October 24, 2024	August 22, 2024
22.	An upgrade and testing software for computer electronic control and management chip of Yiqin (逸勤計算機電控管理芯片升級測試軟件)	Nanchang Yiqin Technology Co., Ltd.	2024SR2172520	December 24, 2024	October 17, 2024
23.	A cloud application software for tablets of Yiqin (逸勤平板端雲應用軟件)	Nanchang Yiqin Technology Co., Ltd.	2024SR2185584	December 25, 2024	October 18, 2024
24.	An EPROM access control software for notebooks of Yiqin (逸勤筆記本電腦EPROM訪問控制軟件)	Nanchang Yiqin Technology Co., Ltd.	2025SR0383920	March 5, 2025	December 24, 2024
25.	An intelligent processing software for image deblurring of Yiqin (逸勤圖像去模糊智能處理軟件)	Nanchang Yiqin Technology Co., Ltd.	2025SR0384078	March 5, 2025	December 23, 2024
26.	A multi-fingerprint initialization software for smart terminals of Yiqin (逸勤智能終端多指紋初始化軟件)	Nanchang Yiqin Technology Co., Ltd.	2025SR0463425	March 17, 2025	December 31, 2024
27.	A software for single camera blushing and beauty of Moruan (摩軟相機單攝虛化美顏軟件)	Shanghai Moruan Telecom Technology Co., Ltd.	2024SR1079488	July 29, 2024	May 21, 2024

No.	Copyright	Registered Owner	Registration Number	Registration Date	Date of First Publication
28.	A integration software for software component of PC system of Moruan (摩軟PC系統軟件組件集成軟件)	Shanghai Moruan Telecom Technology Co., Ltd.	2024SR1262983	August 28, 2024	June 19, 2024
29.	A keyboard matrix acquisition software for smart terminals of Moruan (摩軟智能終端鍵盤矩陣獲取軟件)	Shanghai Moruan Telecom Technology Co., Ltd.	2024SR1262996	August 28, 2024	June 27, 2024
30.	A omni-directional microphone low-power and cascaded low-power transistor control software of Qinyun (勤芸全向麥低功耗及級聯低功耗管控制軟件)	Shanghai Qinyun Electronic Technology Co., Ltd.	2024SR0816868	June 17, 2024	April 12, 2024
31.	A facial recognition software for mobile terminal system of Qinyun (勤芸移動終端系統人臉識別軟件)	Shanghai Qinyun Electronic Technology Co., Ltd.	2024SR1488245	October 10, 2024	July 26, 2024
32.	An AI visual algorithm software (AI視覺算法軟件)	Wuxi Ruiqin Technology Co., Ltd.	2024SR0501388	April 12, 2024	January 11, 2024
33.	A BT transmission management software for smart wearables of Ruiqin (睿勤智能穿戴設備BT傳輸管理軟件)	Wuxi Ruiqin Technology Co., Ltd.	2024SR1091963	July 31, 2024	May 21, 2024

(d) Domain Names

As of the Latest Practicable Date, we owned the following domain names in the PRC which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1 . . .	huaqin.com	Our Company	January 22, 2027
2 . . .	anqinauto.com	Shanghai Anqinzhihang Automotive Electronics Co., Ltd.	November 24, 2027
3 . . .	hecl.in	Our Company	February 19, 2027
4 . . .	xiqinprecision.com	Guangdong Xiqin Precision Mould Co., Ltd.	December 1, 2027
5 . . .	ncchunqin.com	Nanchang Chunqin Precision Technology Co., Ltd.	September 12, 2027
6 . . .	huayu-dg.com	Dongguan Huayu Precision Technology Co., Ltd.	November 13, 2026
7 . . .	dghyprecision.com	Dongguan Huayu Precision Technology Co., Ltd.	December 27, 2026

(C) FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' Service Contracts and Appointment Letters

Each of the Directors has entered into a service contract or appointment letter with our Company. 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 a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

2. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and under "Accountants' Report — Notes to the Historical Financial Information — Directors' and Supervisors' Emoluments" in Appendix I to this prospectus, no Director received other remuneration or benefits in kind from our Company in respect of each of the years ended December 31, 2023, 2024 and 2025.

3. Disclosure of Interests

Interests and Short Positions of our Directors in the Registered Capital of our Company or our Associated Corporations following Completion of the Global Offering

Immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the interests or short positions of our Directors and chief executives 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 have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is 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 contained in the Listing Rules, to be notified to our Company and the Stock Exchange are set out below:

			A Shares held as of Latest Practicable Date		Shares held following the completion of the Global Offering[1]		
Name of Director	Name of associated corporation	Nature of interest	Number	Approximate percentage of issued Shares	Number	Approximate percentage of issued A Shares	Approximate percentage of total issued Shares
Mr. Qiu Wensheng	Our Company	Beneficial owner	48,746,040	4.80%	48,746,040	4.80%	4.54%
		Interest in controlled corporations[3]	378,000,000	37.21%	378,000,000	37.21%	35.18%
		Interest in person acting in concert[4]	13,769,003	1.36%	13,769,003	1.36%	1.28%
Mr. Cui Guopeng	Our Company	Beneficial owner	22,729,000	2.24%	22,729,000	2.24%	2.12%
		Interest in controlled corporations[5]	50,079,601	4.93%	50,079,601	4.93%	4.66%
Mr. Wu Zhenhai	Our Company	Beneficial owner	18,928,000	1.86%	18,928,000	1.86%	1.76%
		Interest in controlled corporations[6]	42,663,071	4.20%	42,663,071	4.20%	3.97%

			A Shares held as of Latest Practicable Date		Shares held following the completion of the Global Offering[(1)]		
Name of Director	Name of associated corporation	Nature of interest	Number	Approximate percentage of issued Shares	Number	Approximate percentage of issued A Shares	Approximate percentage of total issued Shares
Ms. Chen Xiaorong.	Our Company	Beneficial owner	15,148,000	1.49%	15,148,000	1.49%	1.41%
		Interest in controlled corporations[(7)]	46,789,148	4.61%	46,789,148	4.61%	4.36%
Ms. Xi Pinghua . .	Our Company	Beneficial owner	69,000	0.01%	69,000	0.01%	0.01%
Mr. Hu Saixiong . .	Our Company	Beneficial owner	280	0.00%*	280	0.00%*	0.00%*
Mr. Deng Zhiguo .	Our Company	Interest in controlled corporations[(8)]	52,783,976	5.20%	52,783,976	5.20%	4.91%

Notes:

(1) The calculations are made assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

(2) * denotes less than 0.005% of the total issued Shares.

(3) As of the Latest Practicable Date, Shanghai Aoqin Information Technology Co., Ltd. is held by Mr. Qiu Wensheng as to 51%. Therefore, under the SFO, Mr. Qiu Wensheng is deemed to be interested in A Shares held by Shanghai Aoqin Information Technology Co., Ltd.

As of the Latest Practicable Date, Shanghai Haixian Information Technology Co., Ltd. is held by Mr. Qiu Wensheng as to 51%. Therefore, under the SFO, Mr. Qiu Wensheng is deemed to be interested in A Shares held by Shanghai Haixian Information Technology Co., Ltd.

(4) Mr. Qiu Wensheng is the brother of Mr. Qiu Wenhui. Ms. Lin Min, the spouse of Mr. Qiu Wenhui, is the general partner of Fujian Yuexiang. As advised by our PRC Legal Advisor, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui and Fujian Yuexiang are parties acting in concert with Mr. Qiu Wensheng pursuant to applicable PRC laws. Each of Mr. Qiu Wensheng, Shanghai Aoqin, Shanghai Haixian, Mr. Qiu Wenhui and Fujian Yuexiang is deemed to be interested in all the A Shares in which each of them is interested. See the section headed "Substantial Shareholders" in this prospectus for details.

(5) Mr. Cui Guopeng is the managing partner of Hainan Qinyuan Venture Capital Partnership Enterprise (Limited Partnership). Therefore, under the SFO, Mr. Cui Guopeng is deemed to be interested in A Shares held by Hainan Qinyuan Venture Capital Partnership Enterprise (Limited Partnership).

(6) Mr. Wu Zhenhai is the managing partner of Hainan Mozhi Investment Partnership Enterprise (Limited Partnership). Therefore, under the SFO, Mr. Wu Zhenhai is deemed to be interested in A Shares held by Hainan Mozhi Investment Partnership Enterprise (Limited Partnership).

(7) Ms. Chen Xiaorong is the managing partner of Hainan Ruansheng Venture Capital Partnership Enterprise (Limited Partnership). Therefore, under the SFO, Ms. Chen Xiaorong is deemed to be interested in A Shares held by Hainan Ruansheng Venture Capital Partnership Enterprise (Limited Partnership).

(8) Mr. Deng Zhiguo is the managing partner of Hainan Huaxiao Venture Investment Partnership Enterprise (Limited Partnership. Therefore, under the SFO, Mr. Deng Zhiguo is deemed to be interested in A Shares held by Hainan Huaxiao Venture Investment Partnership Enterprise (Limited Partnership).

Interests and Short Positions Disclosable under Divisions 2 and 3 of Part XV of the SFO

For information, so far as is known to our Directors or chief executive, of each person, other than our Directors or chief executive, who immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) will 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 the SFO, or, is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group, see "Substantial Shareholders."

Interests of substantial shareholders in members of our Group (excluding our Company)

As of the Latest Practicable Date, to the best knowledge of our Directors, the following persons (other than members of our Group) were interested in 10% or more of the voting rights at general meetings of our subsidiaries:

Name of subsidiary	Name of substantial shareholder	Approximate percentage of shareholding
		(%)
Dongguan Xinhongguan Metal Technology Co., Ltd. (東莞欣宏貫金屬科技有限公司)	Mr. Shen Lei (沈磊)	20.59
Innovation Enterprises Holdings Limited	Innovation Technology International Limited (易路達科技國際有限公司)	20.00

(D) SHARE INCENTIVE SCHEMES

1. Employee Stock Ownership Scheme

The Board has adopted the employee stock ownership scheme (the "Employee Stock Ownership Scheme"). Under the Employee Stock Ownership Scheme, eligible participants are granted shares or partnership interests (the "Restricted Awards") in limited liability companies or limited partnerships that act as our employee ownership platforms (the "Employee Ownership Platforms").

As of the Latest Practicable Date, Hainan Qinyuan Venture Investment Partnership Enterprise (Limited Partnership) (海南勤沅創業投資合夥企業(有限合夥)) ("Hainan Qinyuan"), Hainan Mozhi Investment Partnership Enterprise (Limited Partnership) (海南摩致投資合夥企業(有限合夥)) ("Hainan Mozhi"), Hainan Chuangjian Venture Investment Partnership Enterprise (Limited Partnership) (海南創堅創業投資合夥企業(有限合夥)) ("Hainan Chuangjian"), Hainan Ruansheng Venture Investment Partnership Enterprise (Limited Partnership) (海南軟勝創業投資合夥企業(有限合夥)) ("Hainan Ruansheng") and Hainan Huaxiao Venture Investment Partnership Enterprise (Limited Partnership) (海南華效創業投資合夥企業(有限合夥)) ("Hainan Huaxiao"), were established as our Employee Ownership Platforms, which held in aggregate 233,850,096 underlying Shares, representing approximately 23.02% of the issued Shares of our Company.

Hainan Qinyuan

Hainan Qinyuan was established as a limited partnership under the laws of the PRC on May 25, 2017. As of the Latest Practicable Date, Hainan Qinyuan held approximately 4.93% of our total issued Shares, with Mr. Cui Guopeng (our executive Director and vice chairman of the Board) and Ms. Xi Pinghua (our executive Director and chief financial officer) acting as the sole managing partner and general partner, respectively, holding approximately 9.21% and 3.81% partnership interests therein, respectively. As of the Latest Practicable Date, Hainan Qinyuan had 13 limited partners, among whom Mr. Zhang Wenguo (our deputy general manager) held approximately 9.65% partnership interests therein. None of the other limited partners held one third or more partnership interests therein.

Hainan Mozhi

Hainan Mozhi was established as a limited partnership under the laws of the PRC on May 25, 2017. As of the Latest Practicable Date, Hainan Mozhi held approximately 4.20% of our total issued Shares, with Mr. Wu Zhenhai (our executive Director and deputy general manager) acting as the sole managing partner, holding approximately 9.84% partnership interests therein. As of the Latest Practicable Date, Hainan Mozhi had 41 limited partners, none of whom held one third or more partnership interests therein.

Hainan Chuangjian

Hainan Chuangjian was established as a limited partnership under the laws of the PRC on May 25, 2017. As of the Latest Practicable Date, Hainan Chuangjian held approximately 4.74% of our total issued Shares, with Mr. Zou Zongxin (our deputy general manager) acting as the sole managing partner, holding approximately 17.69% partnership interests therein. As of the Latest Practicable Date, Hainan Chuangjiani had 35 limited partners, among whom Mr. Wang Shichao (our deputy general manager), Mr. Wang Zhigang (our deputy general manager) and Ms. Li Yutao (our Board secretary) held approximately 2.23%, 1.35% and 1.26% partnership interests therein, respectively. None of the other limited partners held one third or more partnership interests therein.

Hainan Ruansheng

Hainan Ruansheng was established as a limited partnership under the laws of the PRC on May 26, 2017. As of the Latest Practicable Date, Hainan Ruansheng held approximately 4.61% of our total issued Shares, with Ms. Chen Xiaorong (our executive Director) acting as the sole managing partner, holding approximately 12.95% partnership interests therein. As of the Latest Practicable Date, Hainan Ruansheng had 29 limited partners, none of whom held one third or more partnership interests therein.

Hainan Huaxiao

Hainan Huaxiao was established as a limited partnership under the laws of the PRC on May 26, 2017. As of the Latest Practicable Date, Hainan Huaxiao held approximately 4.54% of our total issued Shares, with Mr. Deng Zhiguo (our executive Director and deputy general manager) acting as the sole managing partner, holding approximately 15.92% partnership interests. As of the Latest Practicable Date, Hainan Huaxiao had 24 limited partners, none of whom held one third or more partnership interests therein.

The following is a summary of the principal terms of the Employee Stock Ownership Scheme. The terms of the Employee Stock Ownership Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of new options or awards or issuance of new Shares by our Company after the Listing.

(a) Purpose

The main purpose of the Employee Stock Ownership Scheme is to optimize the governance structure of our Group, incentivize the participants, align the interests of the Group and the participants and promote long-term growth of the Group.

(b) Administration

The Board shall be the administrative body of the Employee Stock Ownership Scheme and shall be responsible for the implementation of the scheme in accordance with its provisions, including determining the participants of the scheme.

(c) Eligible Participants

The eligible participants of the Employee Stock Ownership Scheme include our Group's middle-level and senior employees.

(d) Restrictions on sale

Pursuant to undertakings provided by each of Hainan Qinyuan, Hainan Mozhi, Hainan Chuangjian, Hainan Ruansheng and Hainan Huaxiao in connection with the A Share Listing of our Company, they may not transfer the underlying Shares within 18 months of the A Share Listing. As of the Latest Practicable Date, none of the underlying Shares held by the Hainan Qinyuan, Hainan Mozhi, Hainan Chuangjian, Hainan Ruansheng and Hainan Huaxiao was subject to disposal restrictions.

2. Restricted Share Incentive Scheme

The following is a summary of the principal terms of the restricted share incentive scheme (the "2023 Restricted Share Incentive Scheme") adopted by the Board on December 12, 2023, the restricted share incentive scheme (the "2025 Restricted Share Incentive Scheme") adopted by the Board on January 6, 2025 and the restricted share incentive scheme (the "2026 Restricted Share Incentive Scheme", and collectively with the 2023 Restricted Share Incentive Scheme and the 2025 Restricted Share Incentive Scheme, the "Restricted Share Incentive Schemes") adopted by the Board on January 12, 2026. The terms of the Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of new options or awards by our Company after the Listing.

(a) Purpose

The main purpose of the Restricted Share Incentive Schemes is to optimize the governance structure of our Group, attract and retain talents, incentivize the participants, align the interests of the Group and the participants and promote long-term growth of the Group.

(b) Administration

The Board shall be the administrative body of the Restricted Share Incentive Schemes and shall be responsible for the implementation of the schemes in accordance with their provisions, including determining the eligible participants of the schemes.

(c) Eligible Participants

Subject to applicable laws and regulations and the Articles of Association, the eligible participants of the 2023 Restricted Share Incentive Scheme, 2025 Restricted Share Incentive Scheme and 2026 Restricted Share Incentive Scheme include (i) our middle-level and senior managers and core employees, (ii) our Directors, senior management, middle-level and senior managers and core employees, and (iii) our Directors, senior management, middle-level and senior managers and core employees, respectively. Eligible participants shall exclude independent Directors, supervisors, shareholders who individually or collectively hold 5% or more of the Shares of our Company and actual controllers of our Company, and their respective spouses, parents and children.

(d) Source and maximum number of restricted Shares (the "Restricted Shares")

The source of the Restricted Shares underlying the Restricted Share Incentive Schemes are issued A Shares in the issued share capital of our Company (in the case of 2023 Restricted Share Incentive Scheme) or A Shares purchased by our Company from the secondary market (in the case of 2025 Restricted Share Incentive Scheme and 2026 Restricted Share Incentive Scheme). Each grantee may purchase one A Share at the grant price. Subject to the adjustment mechanisms set out in paragraph (i) below, the maximum numbers of Restricted Shares that may be granted under the 2023 Restricted Share Incentive Scheme, 2025 Restricted Share Incentive Scheme and 2026 Restricted Share Incentive Scheme are 2,635,136 (taking into account the capitalization reserves in June 2024), 3,481,125 Restricted Shares and 2,311,580 Restricted Shares, respectively.

(e) Date of grant and term of the schemes

The date on which the Restricted Shares are granted shall be determined by the board after approval of the Restricted Share Incentive Schemes by the Shareholders at a general meeting. The grant of Restricted Shares to the grantees shall be approved by the Board and registered and announced within 60 days after the approval of the Restricted Share Incentive Schemes by the Shareholders' meeting. The Restricted Share Incentive Schemes shall be effective from the date of registration of Restricted Shares up to the date when the Restricted Shares are no longer subject to any lock-ups or have been repurchased, provided that the terms of the 2023 Restricted Share Incentive Scheme, 2025 Restricted Share Incentive Scheme and 2026 Restricted Share Incentive Scheme shall not exceed 48 months, 60 months and 48 months, respectively.

(f) Restrictions on sale under applicable PRC laws and regulations

If the grantee is a Director or senior management of our Company, the Shares to be transferred each year shall not exceed 25% of the total Shares held by the grantee and no Shares held by such grantee can be transferred within six months of termination of employment. If the grantee is a Director or senior management of our Company, gains realized through sale of Shares within six months of purchase, or purchase of Shares within six months of sale, shall belong to our Company and will be forfeited to the board. If there is any change in the applicable laws and regulations on the foregoing requirements, the grantee shall comply with the amended laws and regulations.

(g) Conditions to the grant of Restricted Shares

The Restricted Shares will only be granted to selected participants upon the following conditions:

(i) with respect to our Company, none of the following circumstances having occurred:

(A) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountants' report for the most recent fiscal year;

(B) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control report contained in accountants' report for the most recent fiscal year;

(C) the Company has not distributed dividends in accordance with the laws and regulations, the Articles of Association or public undertakings within the most recent 36 months after its listing;

(D) applicable laws and regulations prohibit the implementation of any share incentive scheme; or

(E) any other circumstances determined by the CSRC;

(ii) with respect to the grantee, none of the following circumstances having occurred:

(A) the grantee has been regarded as an improper person by the relevant stock exchange within the last 12 months;

(B) the grantee has been regarded as an improper person by the CSRC or its local office within the last 12 months;

(C) the grantee has been punished or prohibited from participating in the securities market by the CSRC or its local office within the last 12 months;

(D) the grantee is disqualified from serving as a director or senior management according to PRC Company Law;

(E) the grantee is prohibited from participating in any share incentive plan of listed companies by applicable laws and regulations; or

(F) any other circumstances determined by the CSRC.

(h) Unlocking of Restricted Shares

The Restricted Shares are subject to lock-up and the grantees may not transfer the Restricted Shares or use the Restricted Shares as collateral or to repay debts. The Restricted Shares under the Restricted Share Incentive Schemes shall be subject to the following lock-up periods:

Restricted Share Incentive Scheme	Lock-up periods
2023 Restricted Share Incentive Scheme	The Restricted Shares may be released from lock-up (i) as to 50% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration and (ii) as to 50% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, respectively, subject to fulfillment of applicable conditions, including those set out in paragraph (g) above, the financial performance of the Group and individual performance targets.
2025 Restricted Share Incentive Scheme	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively, subject to fulfillment of applicable conditions, including those set out in paragraph (g) above, the financial performance of the Group and individual performance targets.
2026 Restricted Share Incentive Scheme	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively, subject to fulfillment of applicable conditions, including those set out in paragraph (g) above, the financial performance of the Group and individual performance targets.

If the applicable conditions are not fulfilled, the relevant Restricted Shares shall be repurchased by the Company and cancelled. Subject to the adjustment mechanisms set out in paragraph (i) below, the price payable by our Company for the repurchase of Restricted Shares shall be equal to the grant price of the relevant Restricted Shares.

(i) Adjustment

Subject to the terms and conditions of the Restricted Share Incentive Schemes, the number and purchase price of Restricted Shares granted are subject to adjustment upon the occurrence of certain events from the date of the announcement of the relevant Restricted Share Incentive Scheme to the registration of the Restricted Shares to the grantees, including capitalization of reserves, distribution of scrip dividends, distribution of cash dividends, share subdivision, rights issue and share consolidation.

(j) Dividends and voting rights

Upon registration of the Restricted Shares, the grantees of the Restricted Shares are entitled to exercise the rights of Shareholders, including but not limited to the right to receive dividends and voting rights.

(k) Grants of Restricted Shares

2023 Restricted Share Incentive Scheme

As of the Latest Practicable Date, the number of Restricted Shares subject to lock-up granted under the 2023 Restricted Share Incentive Scheme is 1,302,610 Restricted Shares, representing approximately 0.13% of the issued Shares immediately following the completion of the Listing (assuming no changes to our issued and outstanding Shares between the Latest Practicable Date and the Listing). The following table sets out the number of Restricted Shares granted to Directors, senior management or connected persons of our Company subject to lock-up under the 2023 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Position	Date of registration	Number of A Shares underlying the Restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the Global Offering
Senior Management						
Mr. Liao Haoran . . .	Deputy general manager	August 20, 2024	19,395	RMB28.95	The Restricted Shares may be released from lock-up (i) as to 50% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration and (ii) as to 50% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration	0.002%
Mr. Wang Qijun . . .	Deputy general manager	August 20, 2024	19,395	RMB28.95		0.002%

Note:

(1) Assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and Listing. The calculation of the percentage includes 215,947 A shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares.

2025 Restricted Share Incentive Scheme

As of the Latest Practicable Date, the number of Restricted Shares granted under the 2025 Restricted Share Incentive Scheme is 2,588,177 Restricted Shares, representing approximately 0.23% of the issued Shares immediately following the completion of the Listing (assuming no changes to our issued and outstanding Shares between the Latest Practicable Date and the Listing), all of which are subject to lock-up.

The following table sets out the number of Restricted Shares granted to Directors, senior management or connected persons of our Company subject to lock-up under the 2025 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Position	Date of registration	Number of A Shares underlying the Restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the Global Offering[(1)]
Director						
Ms. Xi Pinghua . . .	Executive Director and chief financial officer	March 21, 2025	38,000	RMB34.34	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively	0.003%

Name of grantee	Position	Date of registration	Number of A Shares underlying the Restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the Global Offering[(1)]
Senior management						
Mr. Zou Zongxin	Deputy general manager	March 21, 2025	38,000	RMB34.34	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively	0.003%
Mr. Zhang Wenguo	Deputy general manager	March 21, 2025	34,200	RMB34.34		0.003%
Mr. Wang Shichao	Deputy general manager	March 21, 2025	38,000	RMB34.34		0.003%
Mr. Liao Haoran	Deputy general manager	March 21, 2025	68,400	RMB34.34		0.006%
Mr. Wang Qijun	Deputy general manager	March 21, 2025	57,000	RMB34.34		0.005%
Mr. Wang Zhigang	Deputy general manager	March 21, 2025	30,000	RMB34.34		0.003%
Ms. Li Yutao	Board secretary	March 21, 2025	6,000	RMB34.34		0.001%
Connected persons (other than Directors)						
Mr. Ruan Quan (阮泉)	Supervisor of a subsidiary of our Company	March 21, 2025	6,000	RMB34.34	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively	0.001%
Mr. Rong Kongliang (戎孔亮)	Executive director and general manager of certain subsidiaries of our Company	March 21, 2025	17,500	RMB34.34		0.002%
Ms. Li Yan (黎妍)	Supervisor of certain subsidiaries of our Company	March 21, 2025	5,000	RMB34.34		0.0005%

Note:

(1) Assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and Listing. The calculation of the percentage includes 215,947 A shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares.

2026 Restricted Share Incentive Scheme

As of the Latest Practicable Date, the number of Restricted Shares granted under the 2026 Restricted Share Incentive Scheme is 2,311,580 Restricted Shares, representing approximately 0.21% of the issued Shares immediately following the completion of the Listing (assuming no changes to our issued and outstanding Shares between the Latest Practicable Date and the Listing), all of which are subject to lock-up. The following table sets out the number of Restricted Shares granted to Directors, senior management or connected persons of our Company subject to lock-up under the 2026 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Position	Date of registration	Number of A Shares underlying the Restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the Global Offering(1)
Director						
Ms. Xi Pinghua . . .	Executive Director and chief financial officer	March 30, 2026	31,000	RMB47.95	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively.	0.003%

Name of grantee	Position	Date of registration	Number of A Shares underlying the Restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the Global Offering[(1)]
Senior management						
Mr. Zou Zongxin	Deputy general manager	March 30, 2026	21,700	RMB47.95	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively.	0.002%
Mr. Zhang Wenguo	Deputy general manager	March 30, 2026	21,700	RMB47.95		0.002%
Mr. Liao Haoran	Deputy general manager	March 30, 2026	46,500	RMB47.95		0.004%
Mr. Wang Qijun	Deputy general manager	March 30, 2026	46,500	RMB47.95		0.004%
Mr. Wang Zhigang	Deputy general manager	March 30, 2026	46,500	RMB47.95		0.004%
Ms. Li Yutao	Board secretary	March 30, 2026	20,400	RMB47.95		0.002%
Connected persons (other than Directors)						
Mr. Ruan Quan (阮泉)	Supervisor of a subsidiary of our Company	March 30, 2026	4,000	RMB47.95	The Restricted Shares may be released from lock-up (i) as to 30% during the period between the first trading day after the 12-month anniversary of the date of registration and the last trading day before the 24-month anniversary of the date of registration, (ii) as to 30% during the period between the first trading day after the 24-month anniversary of the date of registration and the last trading day before the 36-month anniversary of the date of registration, and (iii) as to 40% during the period between the first trading day after the 36-month anniversary of the date of registration and the last trading day before the 48-month anniversary of the date of registration, respectively.	0.0004%
Mr. Rong Kongliang (戎孔亮)	Executive director and general manager of certain subsidiaries of our Company	March 30, 2026	17,000	RMB47.95		0.002%
Ms. Li Yan (黎妍)	Supervisor of certain subsidiaries of our Company	March 30, 2026	4,000	RMB47.95		0.0004%

Note:

(1) Assuming that the Over-allotment Option is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and Listing. The calculation of the percentage includes 215,947 A shares repurchased by our Company as of the Latest Practicable Date pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares.

(E) OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

2. Litigation

Save as disclosed 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.

3. Joint Sponsors

The Joint Sponsors have 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. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letters entered into between our Company and each of the Joint Sponsors, we have agreed to pay the Joint Sponsors an aggregate fee of US$580,000 to act as the sponsors of our Company in connection with the proposed Listing on the Stock Exchange.

4. Consent of Experts

The qualification of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this prospectus are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed 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
Merrill Lynch (Asia Pacific) Limited	A corporation licensed to conduct Type 1 (dealing in securities), 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
Zhong Lun Law Firm	Legal advisor to our Company as to PRC laws

Name	Qualification
BDO Limited	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the law of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
CIC	An independent professional market research and consulting company
Pillsbury Winthrop Shaw Pittman LLP	Legal advisor to our Company as to U.S. export control and sanctions laws and outbound investment rule

As of the Latest Practicable Date, none of the experts named above has any shareholding 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.

Each of the experts named above have given and have not withdrawn their respective written consent to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

5. 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.

6. Promoters

Information of our promoters at the time of the Company's conversion into a joint stock limited company in November 2020 is as follows:

No.	Name
1.	Shanghai Aoqin
2.	Shanghai Qinyuan Enterprise Management Partnership (Limited Partnership) (上海勤沅企業管理合夥企業(有限合夥)) (currently known as Hainan Qinyuan Venture Investment Partnership (Limited Partnership) (海南勤沅創業投資合夥企業(有限合夥)))
3.	Shanghai Haixian
4.	Shanghai Qinbei Enterprise Management Partnership (Limited Partnership) (上海勤貝企業管理合夥企業(有限合夥)) (currently known as Hainan Chuangjian Venture Investment Partnership (Limited Partnership) (海南創堅創業投資合夥企業(有限合夥)))
5.	Shanghai Qinxun Enterprise Management Partnership (Limited Partnership) (上海勤旬企業管理合夥企業(有限合夥)) (currently known as Hainan Ruansheng Venture Investment Partnership (Limited Partnership) (海南軟勝創業投資合夥企業(有限合夥)))
6.	Shanghai Qingguang Enterprise Management Partnership (Limited Partnership) (上海勤廣企業管理合夥企業(有限合夥)) (currently known as Hainan Huaxiao Venture Investment Partnership (Limited Partnership) (海南華效創業投資合夥企業(有限合夥)))

No.	Name
7.	Shanghai Qinduo Enterprise Management Partnership (Limited Partnership) (上海勤鐸企業管理合夥企業(有限合夥)) (currently known as Hainan Mozhi Investment Partnership (Limited Partnership) (海南摩致投資合夥企業(有限合夥)))
8.	Mr. Qiu Wensheng (邱文生)
9.	Mr. Cui Guopeng (崔國鵬)
10. . . .	Intel Products (Chengdu) Co., Ltd. (英特爾產品(成都)有限公司)
11. . . .	Mr. Wu Zhenhai (吳振海)
12. . . .	Shanghai Xuxinqiantai Enterprise Management Partnership (Limited Partnership) (上海旭芯仟泰企業管理合夥企業(有限合夥))
13. . . .	Ms. Chen Xiaorong (陳曉蓉)
14. . . .	Fujian Yuexiang Investment Partnership (Limited Partnership) (福建悅翔投資合夥企業(有限合夥))
15. . . .	China Mobile Equity Fund (Hebei Xiong'an) Partnership (Limited Partnership) (中移股權基金(河北雄安)合夥企業(有限合夥))
16. . . .	Qualcomm Wireless Communications Technologies (China) Limited (高通無線通信技術(中國)有限公司)
17. . . .	Shanghai Zhangjiang Haocheng Venture Capital Co., Ltd. (上海張江浩成創業投資有限公司)
18. . . .	Qingdao Haishi Minhe Semiconductor Investment Centre (Limited Partnership) (青島海絲民合半導體投資中心(有限合夥))
19. . . .	Ningbo Tsinghuhui Qing Zhide Equity Investment Centre (Limited Partnership) (寧波清控匯清智德股權投資中心(有限合夥))
20. . . .	Hefei Huaxin Jingyuan Investment Centre Partnership (Limited Partnership) (合肥華芯晶原投資中心合夥企業(有限合夥))
21. . . .	Zhilu (Gui'an New Area) Strategic Emerging Industries Investment Centre (Limited Partnership) (智路(貴安新區)戰略新興產業投資中心(有限合夥))
22. . . .	China Mobile Investment Holding Co., Ltd. (中移投資控股有限責任公司)
23. . . .	Nanjing CMB Modern Industry No. 3 Equity Investment Fund (Limited Partnership) (南京招銀現代產業叁號股權投資基金(有限合夥))
24. . . .	Beijing Yitang Huachuang Equity Investment Centre (Limited Partnership) (北京屹唐華創股權投資中心(有限合夥))
25. . . .	Chongqing Jichuang Yuyuan Equity Investment Fund Partnership (Limited Partnership) (重慶極創渝源股權投資基金合夥企業(有限合夥))
26. . . .	CICC Pucheng Investment Co., Ltd. (中金浦成投資有限公司)
27. . . .	Chengdu Jingwei Investment Partnership (Limited Partnership) (成都景煒投資合夥企業(有限合夥))
28. . . .	Chengdu Hi-Tech Jian Guang Guangqin Investment Partnership (Limited Partnership) (成都高新建廣廣琴投資合夥企業(有限合夥))
29. . . .	China Merchants Securities Investment Co., Ltd. (招商證券投資有限公司)
30. . . .	Nantong Jinxinyuanhai Investment Centre (Limited Partnership) (南通金信沅海投資中心(有限合夥))
31. . . .	SME Development Fund (Jiangsu Nantong Limited Partnership) (中小企業發展基金(江蘇南通有限合夥)) (currently known as Tsingkong Ginkgo Nantong Venture Capital Fund Partnership (Limited Partnership) (清控銀杏南通創業投資基金合夥企業(有限合夥)))

Within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

7. 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).

8. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

9. Compliance Advisor

Our Company has appointed Somerley Capital Limited as our Compliance Advisor in compliance with Rules 3A.19 of the Listing Rules.

10. 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 December 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.

11. 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.

12. 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 — 46. Related Party Transactions and Balances."

13. Miscellaneous

Save as disclosed in this prospectus:

(i) within the two years immediately preceding the date of this prospectus:

(a) 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;

(b) 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;

(c) 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

(d) 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;

(ii) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(iii) 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;

(iv) our Company has no outstanding convertible debt securities or debentures;

(v) there is no arrangement under which future dividends are waived or agreed to be waived;

(vi) save for the A Shares of our Company that are listed on the Shanghai 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

(vii) all necessary arrangements have been made to enable the H Shares to be admitted into CCASS for clearing and settlement.

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) the written consents referred to in "Statutory and General Information — (E) Other Information — 4. Consent of Experts" in Appendix VI to this prospectus; and

(b) a copy of each of the material contracts referred to in "Statutory and General Information — (B) Further Information about our Business — 1. Summary of Material Contracts" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available for inspection at the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.huaqin.com** including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report and the report on the unaudited pro forma financial information of our Group prepared by BDO Limited, the texts of which are set out in "Accountants' Report" in Appendix I to this prospectus and "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus, respectively;

(c) the audited consolidated financial statements of our Company for each of the years ended December 31, 2023, 2024 and 2025;

(d) the material contracts referred to in "Statutory and General Information — (B) Further Information about our Business — 1. Summary of Material Contracts" in Appendix VI to this prospectus;

(e) the service contracts and the letters of appointment referred to in "Statutory and General Information— (C) Further information about our Directors — 1. Particulars of Directors' Service Contracts and Appointment Letters" in Appendix VI to this prospectus;

(f) the industry report issued by CIC, a summary of which is set forth in "Industry Overview" in this prospectus;

(g) the PRC legal opinions issued by Zhong Lun Law Firm, our PRC Legal Advisor on PRC law, in respect of certain general corporate matters and property interests in the PRC of our Group;

(h) the legal opinion on U.S. export control, sanctions and outbound investment matters issued by Pillsbury Winthrop Shaw Pittman LLP;

(i) the written consents referred to in "Statutory and General Information — (E) Other Information — 4. Consent of Experts" in Appendix VI to this prospectus; and

(j) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translation.

HUAQIN