领益智造
LY iTECH

廣東領益智造股份有限公司
LINGYI iTECH (GUANGDONG) COMPANY

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

Stock Code : 1688

GLOBAL OFFERING

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

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

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

CITIC SECURITIES   J.P.Morgan   citi

Joint Bookrunners and Joint Lead Managers
(in alphabetical order)

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 seek independent professional advice.

领益智造
LY i TECH

LINGYI iTECH (GUANGDONG) COMPANY
廣東領益智造股份有限公司

(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	**:**	**811,811,880 H Shares**
Number of Hong Kong Offer Shares	**:**	**81,181,320 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**730,630,560 H Shares (subject to reallocation)**
Maximum Offer Price	**:**	**HK$10.18 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and 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 H Share**
Stock code	**:**	**1688**

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

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

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

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix V, 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 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 Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or before Wednesday, June 24, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Wednesday, June 24, 2026 (Hong Kong time).

The Offer Price will not be more than HK$10.18 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon on Wednesday, June 24, 2026 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. For further details, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares."

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" for further details.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors".

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

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 website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.lingyiitech.com.** If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

June 17, 2026

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

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 website of the Hong Kong Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at https://www.lingyiitech.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

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

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We 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 above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be for a minimum of 660 Hong Kong Offer Shares and in one of the numbers set out in the table below.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer 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, 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.

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$*
660	6,786.56	13,200	135,731.18	198,000	2,035,967.72	2,640,000	27,146,236.39
1,320	13,573.12	19,800	203,596.77	264,000	2,714,623.63	3,300,000	33,932,795.49
1,980	20,359.67	26,400	271,462.36	330,000	3,393,279.55	6,600,000	67,865,590.98
2,640	27,146.24	33,000	339,327.95	396,000	4,071,935.46	9,900,000	101,798,386.46
3,300	33,932.80	39,600	407,193.54	462,000	4,750,591.37	13,200,000	135,731,181.95
3,960	40,719.36	46,200	475,059.14	528,000	5,429,247.28	16,500,000	169,663,977.46
4,620	47,505.92	52,800	542,924.73	594,000	6,107,903.19	19,800,000	203,596,772.95
5,280	54,292.47	59,400	610,790.33	660,000	6,786,559.10	26,400,000	271,462,363.92
5,940	61,079.03	66,000	678,655.91	1,320,000	13,573,118.20	33,000,000	339,327,954.90
6,600	67,865.59	132,000	1,357,311.82	1,980,000	20,359,677.29	40,590,660(1)	417,380,171.09

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

*If there is any change to the expected timetable of the Hong Kong Public Offering, we will issue an announcement to be published on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **https://www.lingyiitech.com**.*

Hong Kong Public Offering commences . . . . .9:00 a.m. on Wednesday, June 17, 2026

Latest time to complete applications under the **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2] . . . . .11:30 a.m. on Tuesday, June 23, 2026

Application lists open[3] . . . . .11:45 a.m. on Tuesday, June 23, 2026

Latest time (a) to complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) give **electronic application instructions** to HKSCC[4] . . . . .12:00 noon on Tuesday, June 23, 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, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close[3] . . . . .12:00 noon on Tuesday, June 23, 2026

Expected Price Determination Date[5] . . . . .by 12:00 noon on Wednesday, June 24, 2026

Announcement of:

- the final Offer Price;
- the level of applications of the Hong Kong Public Offering;
- the level of indications of interest in the International Offering; and
- the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **https://www.lingyiitech.com**[6] . . . . no later than 11:00 p.m. on Thursday, June 25, 2026

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be made available through a variety of channels as described in the section headed "How to Apply for Hong Kong Offer Shares — Publication of Results", including:

- on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **https://www.lingyiitech.com**[6] respectively . . . . .no later than 11:00 p.m. on Thursday, June 25, 2026

- The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function . . . . from 11:00 p.m. on Thursday, June 25, 2026 to 12:00 midnight on Wednesday, July 1, 2026

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. . . . . on Friday, June 26, 2026, Monday, June 29, 2026, Tuesday, June 30, 2026 and Thursday, July 2, 2026

Despatch of H Share certificates in respect of wholly or partially successful applications, or deposit of H Share certificate into CCASS, on or before[7] . . . . Thursday, June 25, 2026

Despatch of **White Form** e-Refund payment[8] instructions/refund cheques in respect of wholly or partially successful applications on or before . . . . Friday, June 26, 2026

Dealings in our H Shares on the Hong Kong Stock Exchange expected to commence at . . . . 9:00 a.m. on Friday, June 26, 2026

Notes:

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

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

(3) If there is/are Severe Weather Signal(s) (as defined in the "How to Apply for Hong Kong Offer Shares — Bad Weather Arrangements") in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 2026, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares — Bad Weather Arrangements" for further details.

(4) Applicants who apply for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the paragraph headed "How to Apply for Hong Kong Offer Shares — Application for Hong Kong Offer Shares — 2. Application Channels" in this prospectus.

(5) The Price Determination Date is expected to be on or before Wednesday, June 24, 2026 and, in any event, not later than 12:00 noon on Wednesday, June 24, 2026. If, for any reason, the Offer Price is not agreed by 12:00 noon on Wednesday, June 24, 2026, the Global Offering will not proceed and will lapse.

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

(7) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be on or around Friday, June 26, 2026 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 our H Shares on the basis of publicly available allocation details before the receipt of H Share certificates or before the H Share certificates become valid evidence of title do so entirely at their own risk.

(8) 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.

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

White Form e-Refund payment instructions/refund cheques will be issued for the applicants who have applied through the **White Form eIPO** service in respect of wholly or partially unsuccessful applications and in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering if the final Offer Price is less than the maximum Offer 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 cheque, 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 cheques. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund cheques.

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

For applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel, H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to their designated HKSCC Participant's stock account.

For applicants who have applied through **HKSCC EIPO** channel, their broker or custodian will arrange refund to their designated bank account subject to the arrangement between them and their broker or custodian.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — 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" for details relating to the structure of the Global Offering and the conditions and procedures for application for the Hong Kong Offer Shares.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This Prospectus is issued by our Company 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 subscribe for or buy any security other than the Hong Kong Offer Shares. This Prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to subscribe for or buy any security or invitation in any other jurisdiction or in any other circumstances. 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. 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 jurisdiction 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. 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 included in this Prospectus must not be relied on by you as having been authorized by us, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Sole Sponsor, the Overall Coordinators, the Underwriters, any of our or their respective directors, officers, employees, partners, agents or representatives, or any other party involved in the Global Offering. Information contained on our website ***www.lingyiitech.com*** *does not form part of this Prospectus.*

Page

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

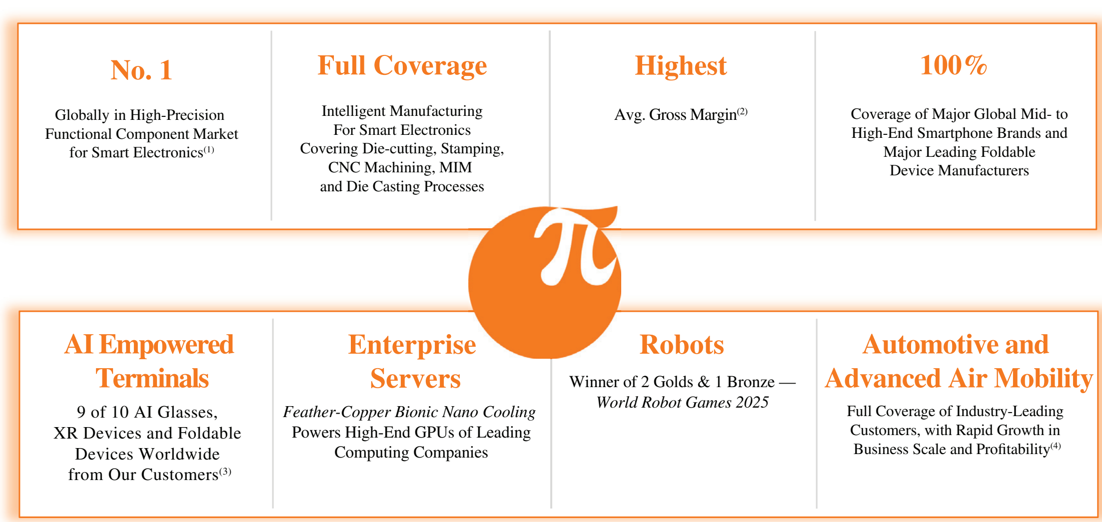
OVERVIEW

Who We Are

We are a leading high-precision intelligent manufacturing platform for electronic devices, delivering one-stop production services and solutions to customers worldwide. We provide a full-spectrum portfolio of core materials, high-precision functional components, modules and assembled systems, underpinned by continuous technology development and our AI-integrated manufacturing capabilities. Guided by the principles of lean management, digitalization, automation and sustainability, we power a broad range of end markets including electronic devices (covering smart electronics, robotics and enterprise servers), automotive and advanced air mobility. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first globally in the high-precision functional component market for smart electronics, and third globally among high-precision intelligent manufacturing platforms for smart electronics.

As a long-term manufacturing partner behind global technology leaders, we operate a manufacturing network built for high-volume, high-standard and high-complexity production. Through cross-functional development, responsive execution and a globally-distributed R&D and production network, we have become a critical enabler within the electronic device value chain and received multiple supply chain excellence awards from leading global technology companies. As of December 31, 2025, our customer base encompasses some of the world's largest companies by market capitalization in smart electronics, new energy vehicles ("NEVs"), and social networking and extended reality ("XR"). We have been named among the Fortune China 500 for eight consecutive years from 2018 to 2025.

The chart below illustrates our key business highlights:



Notes:

(1) In terms of revenue in 2025

(2) In terms of the average gross margin from 2023 to 2025 among the top three global high-precision intelligent manufacturing platforms for smart electronics (ranked by 2025 revenue)

(3) In terms of the sales volume in 2025

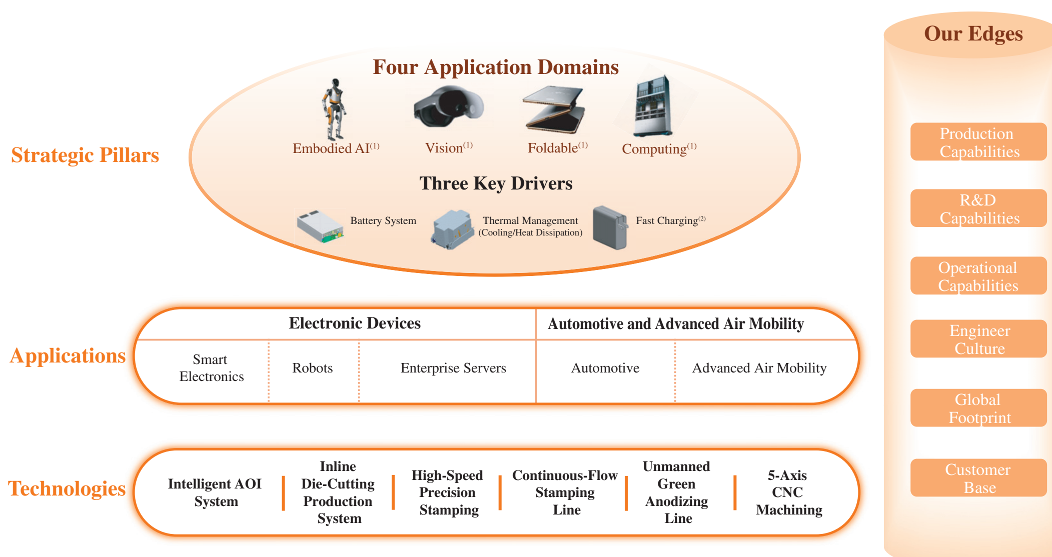
(4) Our revenue increased by 52.9% in 2024 and 39.6% in 2025 on a year-on-year basis, while our gross margin expanded by 8.1 percentage points from 2024 to 2025.

Our Business

Rooted in the belief that precision defines manufacturing value, we aim to advance intelligent manufacturing and contribute to the global development of intelligent manufacturing for AI-powered devices, reinforcing the reputation of high-quality manufacturing originating from China. We are committed to building an integrated solutions platform spanning core materials, high-precision functional components, modules and assembled systems.

Hardware interoperability enables modularity, reusability and scalability across products and applications. By deeply integrating materials science, process innovation and diverse end-use applications, we have formed a global network that unites R&D, engineering and production to deliver multi-scenario solutions. With AI adoption accelerating across industries, we are strategically positioned at critical hardware nodes in next-generation devices. Our strategic pillars span four emerging application domains — embodied AI (such as humanoid robots), vision (such as AI glasses and XR devices), foldable (such as foldable devices), and computing (such as servers), creating multi-track synergy and a diversified growth profile across electronic device ecosystem.

The diagram below illustrates our strategic pillars, competitive edges, application scenarios and core technologies:



Notes:

(1) Embodied AI includes, but is not limited to, humanoid robots; vision includes, but is not limited to, AI glasses and XR devices; foldable includes, but is not limited to, foldable smartphones, laptops and other devices; and computing includes, but is not limited to, servers.

(2) Fast charging refers to fast chargers and charging adapters.

Advancing Early Deployment for the Next Growth Wave

We continue to advance standards of advanced manufacturing for electronic devices. Our strategic presence across electronic devices, automotive and advanced air mobility fuels sustained expansion. To capture the next growth cycle, we are deepening investment in humanoid robots, AI glasses and XR devices, foldable devices and servers, supported by strong foundations in battery systems, thermal management and fast-charging technologies, which underpin continued innovation in electronic devices.

Accelerating Innovation through Full-Stack Technology

Since developing our first rotary die-cutting machine, we have maintained a stable, interoperable R&D methodology that balances performance and cost efficiency. Our proprietary technologies include:

- *Intelligent automated optical inspection ("AOI") system with real-time feedback and adjustment*: integrating deep-learning-based defect detection and in-house optical design to achieve minimal-omission inspection and closed-loop optimization, thereby elevating quality and yield;

- *Inline die-cutting production system*: enabling continuous operation and automated material changeover to maximize material utilization and overall equipment efficiency;

- *High-speed precision stamping technology*: operating at substantially higher speeds than conventional presses, integrating packaging and inspection to boost mass-production efficiency;

- *Continuous-flow stamping line*: combining stamping, welding, cleaning and inspection for higher production efficiency with reduced resource consumption;

- *Unmanned green anodizing line*: powered by AGV-based automation for fully unmanned operation, ensuring consistent quality while minimizing environmental impact; and

- *Five-axis computer numerical control ("CNC") machining technology*: using synchronized motion control for single-pass forming of complex components, improving machining efficiency and material utilization.

Scaling Growth through Strategic Acquisitions

We pursue a dual-engine growth model combining organic expansion and targeted acquisitions. Underpinned by a disciplined M&A strategy, we have broadened our product portfolio, strengthened core capabilities and accelerated integration into our customers' supply chains. Strategic acquisitions help us expand our solution offering, deepen customer collaboration and reinforce our global market position as a long-standing partner in intelligent manufacturing for electronic devices.

Operating Locally, Delivering Globally

We operate through a synergistic model that unites localized operations and global delivery, enabling both agility and efficiency across markets. Supported by a three-tier R&D structure and over 40 R&D centers worldwide, we foster international collaboration and cross-regional technological synergy. With over 63 manufacturing plants and delivery hubs, our localized supply chain spans key regions across the world, enabling real-time demand insight, rapid response capability and reliable delivery performance for our customers worldwide.

Empowering Innovation through Engineer Culture

We view talent as our most valuable asset. Our engineer culture drives continual innovation and self-improvement across the organization. Through structured talent development, technical upskills and targeted investment in expertise, our engineer culture has become a defining strength, propelling our sustained technological advancement and long-term growth.

Sustainability Built into Operations

We embed environmental, social, and governance ("ESG") principles into our corporate strategy and day-to-day operations, aligning advanced manufacturing with sustainable development. Through systematic initiatives in environmental stewardship, social responsibility and corporate governance, we have advanced green manufacturing throughout our production network, supported by energy-saving programs, recycling-based process upgrades and real-time resource-management systems. We are among the few high-precision intelligent manufacturing platforms for electronic devices that have achieved an "A" rating from a leading global ESG ratings agency for three consecutive years from 2023 to 2025.

OUR STRENGTHS

Our strengths include:

- World-leading high-precision intelligent manufacturing platform for electronic devices;
- Comprehensive product portfolio advantage for emerging industry opportunities;
- Visionary leadership with entrepreneurial drive and a global outlook;
- End-to-end manufacturing technology and intelligent manufacturing innovation;
- Long-term customer alliances with global technology leaders;
- Global strategic footprint as a competitive edge; and
- Excellence in green intelligent manufacturing and sustainable growth.

See "Business — Our Strengths" for more details.

OUR STRATEGIES

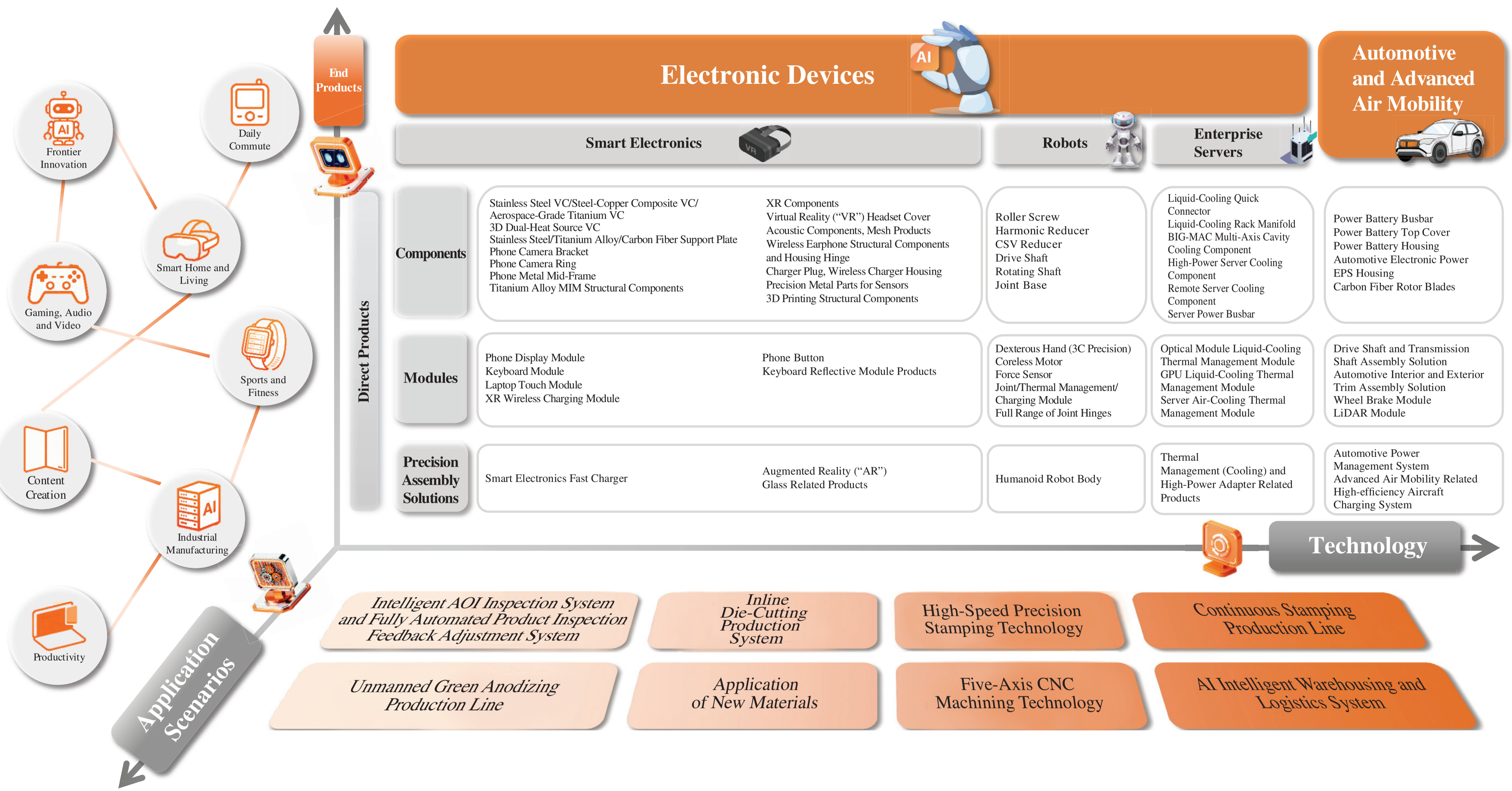
Our strategies include:

- Drive portfolio expansion through our strategic pillars;
- Build a future-ready intelligent manufacturing platform driven by innovation;
- Reinforce global operations and local responsiveness;
- Accelerate the next growth curve through strategic acquisitions;
- Advance a talent-driven strategy and strengthen the engineering mindset; and
- Lead in green manufacturing and low-carbon transformation.

See "Business — Our Strategies" for more details.

OUR PRODUCTS AND SOLUTIONS

The diagram below illustrates our major products, key technologies and application scenarios:



We are a high-precision intelligent manufacturing platform for electronic devices, delivering one-stop production services and solutions. We offer a full range of development and manufacturing capabilities that span core materials, high-precision functional components, modules and assembled systems for diverse end products. Our comprehensive offerings are strategically structured by primary end-product types to closely align with the specific performance and quality demands of the markets we serve.

See “Business — Our Products and Solutions” for more details.

TECHNOLOGIES AND R&D

We are, at heart, a technology-driven enterprise where our innovations extend beyond individual products to encompass integrated manufacturing solutions. We believe our true value lies in our technological strengths in automation, collaborative engineering, and sustainability in manufacturing. These capabilities enable us to accelerate product innovation, transforming early-stage prototypes into scalable, market-ready solutions.

See “Business — Our Technologies” for more details.

MANUFACTURING

Building upon years of technological accumulation in CNC and automation equipment, we have established a digital and intelligent manufacturing system that deeply integrates AI, robotics, and automation technologies into industrial production solutions. Leveraging our self-developed multi-category, multifunctional CNC and automation equipment, we are committed to developing intelligent production workshops and modern smart factories that are technically advanced and widely deployed in China, with a high degree of equipment sophistication, efficiency and intelligence.

See “Business — Manufacturing” for more details.

COMPETITION

We compete in the large and highly competitive global high-precision intelligent manufacturing platform industry for core electronic devices, which mainly include smart electronics, enterprise servers and intelligent robots. According to Frost & Sullivan, the market size of the global high-precision intelligent manufacturing platform market for smart electronics grew from US$295.1 billion in 2021 to US$330.9 billion in 2025, achieving a CAGR of 2.9%. From 2021 to 2025, the market size of the global high-precision intelligent manufacturing platform industry for intelligent robots grew from US$28.5 billion to US$38.2 billion, with a CAGR of 7.6%. The global high-precision intelligent manufacturing platform market for enterprise servers expanded rapidly, growing from US$3.7 billion in 2021 to US$29.1 billion in 2025, with a CAGR of 67.1% during this period.

Due to the diverse range of products, the markets we operate in are highly fragmented. Our major competitors include high-precision manufacturers focusing on industries such as electronic devices and automotive and advanced air mobility. Our ability to maintain and grow our market share depends on us competing effectively against our competitors. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new materials or technology, production capacity, regulatory changes and general economic conditions. According to Frost & Sullivan in the global high-precision functional component industry for smart electronics, in terms of revenue in 2025, we ranked first in this market, accounting for a market share of 7.0%. We ranked third in global high-precision intelligent manufacturing platform industry for smart electronics in 2025, accounting for a market share of 1.6%.

See “Industry Overview” for more details.

OUR CUSTOMERS AND SUPPLIERS

Over the years, we have forged established relationships with participants in the supply chain, including manufacturers and end customers. Our customers mainly operate in the electronic devices and automotive and advanced air mobility industries. In 2023, 2024 and 2025, our aggregate revenue from the five largest customers in each year during the Track Record Period was RMB17,766.8 million, RMB24,772.9 million and RMB29,555.3 million, respectively, accounting for 52.0%, 56.0% and 57.5% of our total revenue, respectively. In the same years, our revenue from the single largest customer in each year during the Track Record Period was RMB8,264.6 million, RMB9,757.6 million and RMB9,846.3 million, accounting for 24.2%, 22.0% and 19.2% of our total revenue, respectively.

Our suppliers are mainly suppliers of raw materials and equipment. During the Track Record Period, our aggregate purchase from the five largest suppliers in each year during the Track Record Period was RMB3,567.8 million, RMB8,702.8 million and RMB9,404.3 million, respectively, accounting for 16.5%, 31.0% and 29.8% of our total purchase, respectively, in 2023, 2024 and 2025. For the same years, our purchase from the single largest supplier in each year during the Track Record Period amounted to RMB822.3 million, RMB6,355.5 million and RMB6,739.4 million, accounting for 3.8%, 22.7% and 21.3%, respectively, of our total purchase.

See "Business — Supply Chain Management — Our Major Suppliers" and "Business — Our Customers" for more details.

Overlapping Customers and Suppliers

During the Track Record Period, certain of our five largest customers were also our suppliers, and certain of our five largest suppliers were also our customers.

See "Business — Overlapping of Customers and Suppliers" for more details.

OUR SALES

We sell our products directly to our customers, and we do not have any external distributors. Our business center, including the business, product management and customer service departments, is responsible for developing new customers and securing product orders. Our business center consists of 1,193 people serving both domestic and overseas customers, most of whom have business-related backgrounds, as well as technical and industrial knowledge. As far as major overseas customers are concerned, certain members of our business center are based overseas, communicating directly with the technical teams of our customers for R&D and project progress in order to understand the overseas markets and to report to us on the needs of overseas customers on a regular basis. At the same time, we also communicate closely with their local teams based in Chinese Mainland on production and after-sales services.

See "Business — Our Sales" for more details.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND PREVIOUS LISTING ATTEMPTS

Our A Shares have been listed on the Shenzhen Stock Exchange since February 2018. Our Directors have confirmed that the Company has no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Adviser is of the view that the Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on the Shenzhen Stock Exchange in all material respects during the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Adviser's view as set out above, nothing has come to the Sole Sponsor's attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange in all material respects.

We previously applied for a listing on the Hong Kong Stock Exchange and the London Stock Exchange. For details, please refer to "History, Development and Corporate Structure — Our Listing on the Shenzhen Stock Exchange, Previous Listing Attempts and Reasons for Listing on the Hong Kong Stock Exchange" in this Prospectus.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was directly owned as to approximately 1.49% by Ms. Zeng Fangqin (曾芳勤) (Ms. Zeng), and approximately 56.64% by Lingsheng Investment. Lingsheng Investment is wholly-owned by Ms. Zeng. Accordingly, Ms. Zeng and Lingsheng Investment are regarded as a group of Controlling Shareholders, collectively holding approximately 58.13% of the issued share capital of our Company as of the Latest Practicable Date. Upon completion of the Global Offering (assuming that no additional A Shares are issued under the 2024 Share Option Scheme), Ms. Zeng and Lingsheng Investment will be collectively interested in and control an aggregate of approximately 52.32% of the total issued share capital of our Company. Accordingly, Ms. Zeng and Lingsheng Investment will remain as a group of Controlling Shareholders of our Company after the Listing. For details, see "Relationship with Our Controlling Shareholders" in this Prospectus.

CONTINUING CONNECTED TRANSACTIONS

We have entered into and expect to continue a transaction upon Listing that will constitute partially continuing connected transactions of our Company under the Listing Rules, as described in "Connected Transactions" in this Prospectus. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules in respect of such continuing connected transaction. For further details, see "Connected Transactions" in this Prospectus.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this prospectus:

Summary of Consolidated Statements of Profit or Loss

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

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Revenue	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**
Cost of sales	(27,760,492)	(81.3)	(37,866,441)	(85.6)	(43,610,537)	(84.8)
Gross profit	**6,393,525**	**18.7**	**6,393,092**	**14.4**	**7,818,407**	**15.2**
Other income and other gains, net	207,045	0.6	374,885	0.9	349,425	0.7
Selling and distribution expenses	(334,970)	(1.0)	(367,601)	(0.8)	(398,581)	(0.8)
Administrative and other operating expenses	(1,623,500)	(4.8)	(1,652,896)	(3.7)	(2,137,430)	(4.2)
Research and development expenses	(1,815,664)	(5.3)	(1,990,452)	(4.5)	(2,381,587)	(4.6)
Provision for impairment losses on non-current assets	(300,340)	(0.9)	(177,570)	(0.4)	(198,222)	(0.4)

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Reversal of/(provision for) impairment losses on financial assets	215,437	0.6	(48,712)	(0.1)	1,052	0.0
Operating profit	**2,741,533**	**8.0**	**2,530,746**	**5.8**	**3,053,064**	**5.9**
Finance costs	(348,707)	(1.0)	(304,163)	(0.7)	(380,264)	(0.7)
Share of results of associates and joint ventures	95,216	0.3	(30,208)	(0.1)	60,577	0.1
Profit before taxation	**2,488,042**	**7.3**	**2,196,375**	**5.0**	**2,733,377**	**5.3**
Income tax	(474,143)	(1.4)	(435,642)	(1.0)	(406,552)	(0.8)
Profit for the year	**2,013,899**	**5.9**	**1,760,733**	**4.0**	**2,326,825**	**4.5**

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that the presentation of these non-IFRS measures facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of share-based compensation expense, a non-cash item, and listing expenses, which relate to the Listing.

Adjusted net profit (non-IFRS measure) refers to profit for the year adjusted for the items set out in the table below. In 2023, 2024 and 2025, our adjusted net profit (non-IFRS measure) was RMB2,076.0 million, RMB1,861.9 million and RMB2,645.3 million, respectively. The following table reconciles our adjusted net profit (non-IFRS measure) for the years presented to the most directly comparable financial measure calculated and presented under IFRS, which is profit for the year, and presents our adjusted net profit margin (non-IFRS measure) for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands, except for percentages)		
Profit for the year	**2,013,899**	**1,760,733**	**2,326,825**
Add:			
Equity-settled share-based payment expenses(1)	62,093	101,196	316,908
Listing expenses(2)	–	–	1,538
Adjusted net profit (non-IFRS measure)	**2,075,992**	**1,861,929**	**2,645,271**
Adjusted net profit margin (non-IFRS measure) (%)(3)	**6.1**	**4.2**	**5.1**

Notes:

(1) Represents non-cash expenses related to share options, restricted shares, and employee stock ownership plans granted to our employees. As this is a non-cash item, we believe its exclusion helps investors better understand our core cash-generating profitability. See Note 7(b) and Note 28 to the Accountant's Report set out in Appendix I to this prospectus for more details.

(2) Represents expenses incurred in connection with the Listing.

(3) Adjusted net profit margin (non-IFRS measure) is calculated by dividing adjusted net profit (non-IFRS measure) by revenue.

Revenue by Business Segment

During the Track Record Period, we primarily generated revenue from sales of our products. The following table sets forth a breakdown of our revenue by business segment and the corresponding percentages for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Electronic devices						
– Imaging and display	5,542,966	16.2	11,270,092	25.4	11,884,538	23.1
– Materials	6,457,276	18.9	7,476,280	16.9	7,822,065	15.2
– Battery and power supply	6,984,433	20.4	6,482,952	14.6	7,578,806	14.8
– Thermal management	3,760,895	11.0	4,107,088	9.3	5,124,786	10.0
– Sensors and related components and modules	1,724,883	5.1	3,523,358	8.0	4,272,156	8.3
– Precision assembly and others	3,398,508	10.0	3,863,080	8.7	4,336,384	8.4
– AI glasses and XR devices	2,844,211	8.3	4,056,900	9.2	3,774,483	7.3
Subtotal	**30,713,172**	**89.9**	**40,779,750**	**92.1**	**44,793,218**	**87.1**
Automotive and advanced air mobility	**1,384,509**	**4.1**	**2,116,865**	**4.8**	**2,954,379**	**5.7**
Others[(1)]	**2,056,336**	**6.0**	**1,362,918**	**3.1**	**3,681,347**	**7.2**
Total	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**

Note:

(1) Others mainly comprise the revenue from our clean energy business.

Revenue by Geographic Market

The following table sets forth a breakdown of our revenue by geographic market and the corresponding percentages for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Chinese Mainland	**24,055,770**	**70.4**	**27,506,969**	**62.1**	**27,528,495**	**53.5**
Overseas						
– Asia (excluding Chinese Mainland)[(1)]	3,998,832	11.7	9,629,757	21.8	12,963,885	25.2
– North America[(2)]	3,678,302	10.8	5,137,676	11.6	8,759,688	17.0
– Europe[(3)]	1,706,453	5.0	1,272,497	2.9	1,294,607	2.5
– Others[(4)]	714,660	2.1	712,634	1.6	882,269	1.8
Subtotal	**10,098,247**	**29.6**	**16,752,564**	**37.9**	**23,900,449**	**46.5**
Total	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**

Notes:

(1) Primarily includes India, Vietnam, Hong Kong and Taiwan.

(2) Primarily includes the United States.

(3) Primarily includes the United Kingdom, Turkey, Ireland and Germany.

(4) Primarily includes Brazil.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	18,042,158	19,647,655	26,618,205
Total current assets	19,325,013	25,545,831	31,282,245
Total assets	**37,367,171**	**45,193,486**	**57,900,450**
Total current liabilities	13,446,716	15,798,184	26,484,513
Total non-current liabilities	5,639,762	9,546,321	7,057,989
Total liabilities	**19,086,478**	**25,344,505**	**33,542,502**
Net current assets	**5,878,297**	**9,747,647**	**4,797,732**
Net assets	**18,280,693**	**19,848,981**	**24,357,948**

Our net assets increased from RMB18,280.7 million as of December 31, 2023 to RMB19,849.0 million as of December 31, 2024, primarily due to our net profit of RMB1,760.7 million, equity-settled share-based compensation of RMB101.2 million, the equity component of convertible bonds issued of RMB45.7 million and vesting of shares under ESOP of RMB33.4 million, partially offset by a dividend distribution of RMB209.7 million and repurchase of shares under ESOP of RMB59.9 million.

Our net assets increased from RMB19,849.0 million as of December 31, 2024 to RMB24,357.9 million as of December 31, 2025, primarily due to our net profit of RMB2,326.8 million, the conversion of convertible bonds into shares of RMB2,108.2 million, exercise of share options of RMB286.3 million and equity-settled share-based compensation of RMB316.9 million, partially offset by the repurchase of shares under ESOP of RMB319.9 million, a dividend distribution of RMB285.5 million and the impact of obligation to acquire non-controlling interests of RMB91.0 million.

See "Financial Information — Selected Items in the Consolidated Statements of Financial Position — Net Current Assets" for more details on the reasons for the fluctuation in our net current assets.

Summary of the Consolidated Statements of Cash Flows

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Cash generated from operations	5,573,575	4,468,243	4,858,952
Income tax paid	(294,824)	(453,182)	(426,150)
Net cash generated from operating activities	5,278,751	4,015,061	4,432,802
Net cash used in investing activities	(2,144,131)	(3,716,494)	(8,199,287)
Net cash (used in)/generated from financing activities	(2,851,262)	2,730,752	3,238,189
Net increase/(decrease) in cash and cash equivalents	**283,358**	**3,029,319**	**(528,296)**
Effect of exchange rate changes	95,670	108,527	(63,173)
Cash and cash equivalents at the beginning of the year	2,522,106	2,901,134	6,038,980
Cash and cash equivalents at the end of the year	**2,901,134**	**6,038,980**	**5,447,511**

Key Financial Ratio

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

	For the year ended/as of December 31,		
	2023	2024	2025
Key financial ratios			
Gross margin (%)[(1)]	18.7	14.4	15.2
Net profit margin (%)[(2)]	5.9	4.0	4.5
Adjusted net profit margin (non-IFRS measure) (%)[(3)]	6.1	4.2	5.1
Current ratio (times)[(4)]	1.4	1.6	1.2
Quick ratio (times)[(5)]	1.0	1.2	0.9
Net debt to equity ratio (%)[(6)]	28.6	29.5	38.6

Notes:

(1) Our gross margin equals gross profit divided by revenue for the same year.

(2) Our net profit margin equals profit for the year divided by revenue for the same year.

(3) Our adjusted net profit margin (non-IFRS measure) equals adjusted net profit (non-IFRS measure) for the year divided by revenue for the same year. Adjusted net profit (non-IFRS measure) is a non-IFRS measure derived from profit for the year by adjusting for certain items. See "Financial Information — Non-IFRS Measures" for more details and a reconciliation of this measure.

(4) Our current ratio equals current assets divided by current liabilities as of the end of each year.

(5) Our quick ratio equals current assets less inventories divided by current liabilities as of the end of each year.

(6) Our net debt to equity ratio equals total interest-bearing borrowings (including current and non-current portions), lease liabilities (including current and non-current portions) and bonds payables (including current and non-current portions), less the sum of cash and cash equivalents, divided by total equity as of the end of the year.

DIVIDENDS

We may distribute dividends in the form of cash, stocks or a combination of both. Any proposed distribution of dividends is subject to the discretion of the Board and the approval of our Shareholders. According to applicable PRC laws and our Articles of Association, we may pay dividends out of our profit after tax only after we have made (i) the recovery of accumulated losses, if any; (ii) allocations to the statutory reserve equivalent to 10% of our Company's profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our Company's registered capital, no further allocations to this statutory reserve will be required; and (iii) allocations, if any, to a discretionary common reserve as approved by our Shareholders in a general meeting.

We have established our dividend policy as prescribed in the Articles of Association. Under the premise of complying with profit distribution principles, ensuring the Company's normal operations and long-term development, and when conditions for cash dividend distribution are met, the annual cash dividends distributed shall account for no less than 10% of our Company's distributable profits realized in that year. Moreover, over any consecutive three-year period, the accumulated profits distributed in cash shall be no less than 30% of our average annual distributable profits realized during those three years. Furthermore, based on our development stage and significant capital expenditure arrangements, the proportion of cash dividends in a particular profit distribution shall be 80%, 40% or 20%. Save as prescribed in the Articles of Association, we do not set any other pre-determined dividend payout ratio target.

During the Track Record Period, we have declared dividends. In 2023, a dividend of RMB1,017.1 million was declared by our Company to its equity shareholders, of which RMB1,011.7 million was paid in the same year. In 2024, a dividend of RMB209.7 million was declared by our Company to its equity shareholders, of which RMB208.8 million was paid in the same year. In 2025, a dividend of RMB285.5 million was declared by the Company to its equity shareholders, of which RMB285.5 million was paid in the same year. Subsequent to the end of the Track Record Period and up to the Latest Practicable Date, a dividend of RMB145.5 million was declared by our Company to its equity shareholders, which was fully paid on May 19, 2026.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Acquisitions

Pursuant to a share purchase agreement entered into in September 2025, as amended and supplemented in April 2026, Lingyi Technology acquired from Tritree Holding (Hong Kong) Limited certain equity interests in Shenzhen Senyi Investment Holdings Co., Ltd. (深圳森益投資控股有限公司) ("Senyi"). As of the Latest Practicable Date, the acquisition of the first phase of 10% of shares of Senyi has been completed. Following completion of the acquisition, Lingyi Technology will hold 51% equity interest of Senyi, and Senyi would become a non-wholly owned subsidiary of our Company.

In December 2025, we entered into a share purchase agreement with then shareholders of Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司) ("Readore") to purchase their equity interests in Readore. In addition, through a voting rights proxy arrangement with Zhang Qiang, a shareholder of Readore, we obtained the voting rights attached to 17.78% of the equity interests held by Zhang Qiang in Readore. The acquisition was closed in January 2026, following which we held 52.78% of voting rights in Readore, and Readore had become a non-wholly owned subsidiary of our Company.

See Note 36 to the Accountants' Report set out in Appendix I to this prospectus for more details.

Unaudited Financial Information for the Three Months Ended March 31, 2026

Our revenue increased by 10.0% from RMB11.5 billion for the three months ended March 31, 2025 to RMB12.6 billion for the same period of 2026, primarily driven by the growth in revenue from our automotive and advanced air mobility segment. Our revenue from the electronic devices segment remained relatively stable at RMB10.3 billion for the three months ended March 31, 2025 and 2026. Our revenue from the automotive and advanced air mobility segment increased significantly from RMB0.5 billion for the three months ended March 31, 2025 to RMB1.7 billion for the same period of 2026, primarily attributable to the financial consolidation of our newly acquired subsidiaries operating in this segment, as well as the expanding business scale and increased customer orders of our existing automotive business.

Our cost of sales increased by 7.7% from RMB10.0 billion for the three months ended March 31, 2025 to RMB10.8 billion for the same period of 2026 in line with our revenue growth.

As a result, our gross profit increased by 25.3% from RMB1.5 billion for the three months ended March 31, 2025 to RMB1.9 billion for the same period of 2026. Our gross margin increased from 12.9% for the three months ended March 31, 2025 to 14.7% for the same period of 2026, representing a steady improvement primarily driven by the integration of our newly acquired businesses, the steady improvement in the profitability of our existing businesses, and economies of scale achieved.

Our profit for the period decreased by 29.4% from RMB0.6 billion for the three months ended March 31, 2025 to RMB0.4 billion for the same period of 2026, primarily attributable to significant foreign exchange losses resulting from exchange rate fluctuations and increases in our selling, administrative, and research and development expenses.

Our total assets decreased from RMB57.9 billion as of December 31, 2025 to RMB56.2 billion as of March 31, 2026, primarily due to a decrease in our trade and other receivables, a decrease in our cash and cash equivalents, and a decrease in other current financial assets resulting from a decrease in bank wealth management products. Our total liabilities decreased from RMB33.5 billion as of December 31, 2025 to RMB31.3 billion as of March 31, 2026, primarily due to a decrease in our trade and other payables. Our net assets increased from RMB24.4 billion as of December 31, 2025 to RMB24.9 billion as of March 31, 2026, primarily attributable to the profit generated for the period.

Our net cash generated from operating activities for the three months ended March 31, 2026 was RMB0.8 billion, which was primarily the result of our profit before taxation of RMB0.4 billion, adjusted for non-cash items, effects of movement in working capital, and income tax we paid for this period.

Our unaudited condensed consolidated interim financial information for the three months ended March 31, 2026 has been reviewed by our Reporting Accountant in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. See Appendix IA to this prospectus for more details.

No Material Adverse Change

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements as set out in the Accountants' Report in Appendix I to this prospectus, and up to the date of this prospectus.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions, and other fees incurred in connection with the Global Offering. The estimated total listing expenses (based on the Maximum Offer Price and assuming that no additional A Shares are issued under the 2024 Share Option Scheme) for the Global Offering are approximately RMB97.9 million (equivalent to approximately HK$112.6 million), accounting for approximately 1.4% of our gross proceeds from the Global Offering. The estimated total listing expenses consist of (i) underwriting-related expenses (including but not limited to commissions and fees) of approximately RMB59.0 million (approximately HK$67.8 million), and (ii) non-underwriting related expenses of approximately RMB38.9 million (approximately HK$44.7 million), which consist of fees and expenses of legal advisers and Reporting Accountants of approximately RMB24.6 million (approximately HK$28.3 million), and other fees and expenses of approximately RMB14.3 million (approximately HK$16.4 million). Approximately RMB86.2 million (equivalent to approximately HK$99.1 million) of the estimated listing expenses is directly attributable to the issue of new Shares to the public and will be accounted for as a deduction from equity upon completion of the Global Offering. Approximately RMB11.7 million (equivalent to approximately HK$13.5 million) is expected to be charged in profit or loss for the Global Offering, of which RMB1.5 million was charged to our profit or loss during the Track Record Period, and approximately RMB10.2 million is expected to be charged to our profit or loss after the Track Record Period. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The listing expenses above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$8,151.7 million, after deducting estimated underwriting commissions, fees and expenses payable by us in connection with the Global Offering, assuming no additional A Shares are issued under the 2024 Share Option Scheme, and at an Offer Price of HK$10.18 per Offer Share (being the maximum Offer Price stated in the Prospectus).

In line with our strategies, we intend to use the net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately 37.6% of the net proceeds, or HK$3,065.0 million, is expected to be used to further enhance our production capacity through equipment investment and upgrade core manufacturing processes.
- Approximately 11.9% of the net proceeds, or HK$970.1 million, will be allocated to further strengthen our core R&D capabilities and technological innovation infrastructure.
- Approximately 30.0% of the net proceeds, or HK$2,445.5 million, is expected to be used for strategic investments and acquisitions that support the integration of industry resources.
- Approximately 10.5% of the net proceeds, or HK$855.9 million, is expected to be used to scale our manufacturing infrastructure within and outside Chinese Mainland.
- Approximately 10.0% of the net proceeds, or HK$815.2 million, will be allocated to working capital and general corporate purposes.

See "Future Plans and Use of Proceeds" for more details relating to our future plans and use of proceeds from the Global Offering, including the adjustment on the allocation of the proceeds in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range.

OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering has been completed, and 811,811,880 H Shares are issued pursuant to the Global Offering; (ii) no additional A Shares are issued under the 2024 Share Option Scheme; and (iii) 8,120,010,560 Shares are issued and outstanding following the completion of the Global Offering:

	Based on an Offer Price of HK$10.18 per H Share
Market capitalization of our H Shares(1)	HK$8,264.2 million
Market capitalization of our Shares(2)	HK$131,982.0 million
Unaudited pro forma adjusted net tangible asset per Share(3)	HK$4.04

Notes:

(1) The calculation of market capitalization is based on 811,811,880 H Shares expected to be in issue immediately upon completion of the Global Offering.

(2) The calculation of market capitalization of our Shares is based on the assumption that 811,811,880 H Shares will be in issue immediately upon completion of the Global Offering and 7,308,198,680 A Shares are issued and outstanding immediately upon completion of the Global Offering and excluding 34,031,200 treasury shares, with an average closing price of RMB14.79 during the five trading days of A Shares immediately preceding the Latest Practicable Date.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after making adjustments referred to in "Appendix II — Unaudited Pro Forma Financial Information" and on the basis that a total of 8,061,620,033 Shares (representing 7,249,808,153 Shares excluding 56,252,824 shares held by the Company in treasury as at December 31, 2025 and 811,811,880 Offer Shares) were in issue assuming that the Global Offering had been completed on December 31, 2025. Considering the impact of the following subsequent events: (a) subsequent acquisition of Dongguan Readore Technology Co., Ltd.; (b) exercise of share options, which increased the total number of Shares by 2,137,703 Shares; (c) repurchase of shares, which increased the number of treasury shares by 22,199,300 Shares; (d) declaration of dividends, with corresponding effects of RMB(918,279,000), RMB8,434,000, RMB(311,133,000) and RMB(145,483,000), respectively, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025 would be RMB3.35 (HK$3.85), based on an Offer Price of HK$10.18 per Share, respectively.

(4) The 34,031,200 treasury shares referred to in Note (2) represent 56,252,824 treasury shares as at December 31, 2025 and 22,199,300 Shares repurchased thereafter and up to the Latest Practicable Date, net of 44,420,924 A Shares underlying the share awards granted under the Employee Stock Ownership Plans as at the Latest Practicable Date. See "Appendix IV — Statutory and General Information — Employee Stock Ownership Plans" for more details. The difference between the 8,085,979,360 Shares in Note (2) and the 8,061,620,033 Shares in Note (3) is attributable to the exercise of share options, subsequent share repurchases and the exclusion of A Shares underlying the share awards from treasury shares for the purpose of calculating market capitalisation.

RISK FACTORS

Our operations and the Global Offering involve certain risks and uncertainties. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include:

- We face intense competition in the global high-precision intelligent manufacturing platform industry, and failure to compete successfully could adversely affect our market position, business, financial condition and results of operations.
- Our business depends largely on broader trends in our end markets. Our growth prospects and profit margins may not meet expectations if we are unable to expand our business in those markets.
- 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 business may be adversely affected if we fail to innovate or introduce new products and solutions on a timely basis, and our investments in R&D may not yield the expected results.
- We are subject to risks associated with our international businesses and operations.
- We may be subject to risks associated with international trade policies, export controls, economic sanctions, geopolitics and trade protection measures.
- If our products do not meet our customers' quality standards, our business and financial condition may be negatively impacted.
- Future operating results depend upon our ability to obtain raw materials in sufficient quantities on commercially reasonable terms from third-party suppliers. Raw material prices may fluctuate, and we may not be able to timely or fully pass on increases in raw material prices or risks to customers.

See "Risk Factors" for more details.

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

"2022 Employee Stock Ownership Plan"	the A Share employee stock ownership plan adopted by our Company on September 15, 2022, details of which are set in "Statutory and General Information — 4. A Share Incentive Plans" in the Appendix IV to this Prospectus
"2024 Employee Stock Ownership Plan"	the A Share employee stock ownership plan adopted by our Company on August 14, 2024, details of which are set in "Statutory and General Information — 4. A Share Incentive Plans" in the Appendix IV to this Prospectus
"2024 Share Option Scheme"	the A Share option scheme adopted by our Company on August 14, 2024, details of which are set in "Statutory and General Information — 4. A Share Incentive Plans" in the Appendix IV to this Prospectus
"2025 Employee Stock Ownership Plan"	the A Share employee stock ownership plan adopted by our Company on September 16, 2025, details of which are set in "Statutory and General Information — 4. A Share Incentive Plans" in the Appendix IV to this Prospectus
"A Shares"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange
"A Share Incentive Plans"	the A Share incentive plans, including the 2022 Employee Stock Ownership Plan, the 2024 Employee Stock Ownership Plan, the 2024 Share Option Scheme and the 2025 Employee Stock Ownership Plan, details of which are set in "Statutory and General Information — 4. A Share Incentive Plans" in the Appendix IV to this Prospectus
"A Shareholder(s)"	holder(s) of the A Share(s)
"Accountants' Report"	the accountants' report for the Company and its subsidiaries for each of the three years ended December 31, 2025, 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 of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board Committee(s)"	the board committees of our Company, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee
"Board" or "our Board"	the board of Directors
"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Capital Market Intermediaries" or "capital market intermediary(ies)" or "CMI(s)"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China", "Chinese Mainland" or "PRC"	the People's Republic of China which, for the purpose of this Prospectus and for geographical reference only, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China, and Taiwan, China
"close associate(s)"	has the meaning ascribed thereto under the Listing Rule
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"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
"Company", "our Company", or "the Company"	LINGYI iTECH (GUANGDONG) COMPANY (廣東領益智造股份有限公司), a joint stock company incorporated in the PRC with limited liability on July 1, 1975, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002600.SZ) (previously known as JPMF Guangdong Co., Ltd. (廣東江粉磁材股份有限公司))
"Company Law" or "PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	Guotai Junan Capital Limited
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Ms. Zeng Fangqin (曾芳勤) and Lingsheng Investment. See "Relationship with Our Controlling Shareholders" for details
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDCC"	China Securities Depositary 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)" or "our Director(s)"	the director(s) of our Company or any one of them
"Dongguan Lingjie"	Dongguan Lingjie Metal Precision Manufacturing Technology Co., Ltd. (東莞領傑金屬精密製造科技有限公司), a limited liability company established on February 3, 2016 according to PRC laws and a wholly-owned subsidiary of the Company
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"Exchange Participant(s)"	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FINI" or "Fast Interface for New Issuance"	"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
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this Prospectus

"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group, "we" or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	listed ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and for which an application has been made for the granting of listing and permission to deal in on the Hong Kong Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Shareholder(s)"	holder(s) of the H Share(s)
"HK$" or "Hong Kong Dollars" or "HK Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC EIPO**"	the application for 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 a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for 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 person admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 81,181,320 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to adjustments as described in the section headed "Structure of the Global Offering")
"Hong Kong Public Offering"	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustments as described in the section headed "Structure of the Global Offering") at the Offer Price (plus brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy), on and subject to the terms and conditions described in the section headed "Structure of the Global Offering"
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Hong Kong Underwriters"	the underwriters listed in the paragraph headed "Underwriting — Hong Kong Underwriters", being the underwriters of the Hong Kong Public Offering
"Hong Kong Underwriting Agreement"	the underwriting agreement dated June 16, 2026, relating to the Hong Kong Public Offering entered into by, among other parties, our Company, the Controlling Shareholders, the Sole Sponsor, the Overall Coordinators and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement"
"IFRS"	the International Financial Reporting Standards
"IIT Law"	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
"International Offer Shares"	the 730,630,560 H Shares offered by our Company pursuant to the International Offering (subject to adjustments as described in the section headed "Structure of the Global Offering")

"International Offering"	the offering of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S 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 who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement relating to the International Offering expected to be entered into on or about June 24, 2026, by, among others, our Company, the Controlling Shareholders and the International Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — International Offering"
"Joint Bookrunners", "Joint Global Coordinators", "Joint Lead Managers"	the joint bookrunners, the joint global coordinators, and the joint lead managers as named in "Directors and Parties Involved in the Global Offering"
"JPMF"	JPMF Guangdong Co., Ltd., whose predecessor Jiangmen Powder Metallurgy Factory (江門市粉末冶金廠) was established on July 1, 1975 and was converted to a joint stock company with limited liability on September 4, 2008 in accordance with the laws of the PRC and whose shares have been listed on the Shenzhen Stock Exchange since July 2011 (stock code: 002600)
"Latest Practicable Date"	June 9, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
"Lingsheng Electronic"	Triumph Lead Electronic Technology (Shenzhen) Co., Ltd. (領勝電子科技(深圳)有限公司), a limited liability company established on May 12, 2006 in accordance with PRC laws
"Lingsheng Investment"	Lingsheng Investment (Jiangsu) Co., Ltd. (領勝投資(江蘇)有限公司), a limited liability company established in the PRC on April 30, 2015, a member of our Controlling Shareholders
"Lingyi Technology"	Lingyi Technology (Shenzhen) Co., Ltd. (領益科技(深圳)有限公司), a limited liability company established on July 6, 2012 according to PRC laws and a wholly-owned subsidiary of the Company
"Lingyi Technology Group"	Lingyi Technology and its subsidiaries, or where the context so requires, in respect of the periods before the Lingyi Technology became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of Lingyi Technology at the relevant time
"Listing"	the listing of our H Shares on the Main Board

"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
"Listing Date"	the date, expected to be on or about Friday, June 26, 2026, on which the H Shares are to be listed and on which dealings in the Shares are to be first permitted to take place on the Hong Kong Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"LOM India"	Isallom India Private Limited (formerly known as Lite-On-Mobile India Private Limited), a company incorporated in India with limited liability and an indirect wholly-owned subsidiary of the Company
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Ministry of Finance" or "MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
"Ms. Zeng"	Ms. Zeng Fangqin (曾芳勤), our chairwoman of the Board executive Director, general manager, and a member of our Controlling Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"New Judicial Interpretation"	the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》)
"Nomination Committee"	the nomination committee of the Board
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed "Structure of the Global Offering"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares
"Overall Coordinator"	the Overall Coordinator as named in the section headed "Directors and Parties Involved in the Global Offering"

"Overseas Listing Trial Measures"	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Adviser"	Jia Yuan Law Offices, our legal adviser on PRC laws in connection with the Global Offering
"Price Determination Agreement"	the agreement to be entered into by Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date, expected to be on or before Wednesday, June 24, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Overall Coordinator (on behalf of the Hong Kong Underwriters) may agree, but in any event not later than 12:00 noon on Wednesday, June 24, 2026
"Prospectus" or "prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reverse Acquisition"	the acquisition of 100% of the equity interests in Lingyi Technology by JPMF from Lingsheng Investment, Chuangkexiang LP and Jinxiangtai LP by issuing shares in JPMF in 2018
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"Salcomp"	Salcomp Plc and its subsidiaries. Salcomp Plc was established on 14 December 1998 according to the laws of Finland. Its shares were listed on NASDAQ OMX Helsinki in 2006 and delisted in 2011
"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)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

"SFC" or "Securities and Futures Commission"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"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 Option(s)"	share options granted pursuant to the 2024 Share Option Scheme
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program to be developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDC for mutual market access between Hong Kong and Shenzhen
"Shenzhen Lingpeng"	Shenzhen Lingpeng Intelligent Technology Co., Ltd. (深圳市領鵬智能科技有限公司), a limited liability company established on November 24, 2020 and a wholly-owned subsidiary of the Company
"Shenzhen LLmachine"	Shenzhen LLmachine Co., Ltd. (深圳領略數控設備有限公司), a limited liability company established on May 26, 2008 according to PRC laws and a wholly-owned subsidiary of the Company
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Sole Sponsor"	the sole sponsor of the Listing as named in the section headed "Directors and Parties Involved in the Global Offering"
"Sole Sponsor-OC" or "Sole Sponsor-Overall Coordinator"	the sole sponsor-overall coordinator 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)
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Track Record Period"	the period comprising the three financial years ended December 31, 2025

"treasury shares"	has the meaning ascribed to it under the Listing Rules
"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "U.S. dollar(s)"	United States dollars, the lawful currency of the U.S.
"VAT"	value-added tax
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website of the **White Form eIPO** Service Provider, at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Wuxi Lingyi Metal"	Lingyi Metal Manufacturing (Wuxi) Co., Ltd. (領鎰精密五金製造(無錫)有限公司), formerly known as Santak Metal Manufacturing (Wuxi) Co., Ltd. (三達精密五金製造(無錫)有限公司), a limited liability company deregistered on September 26, 2024
"Zhuhai Lingyi"	Lingyi Industry (Zhuhai) Co., Ltd. (領懿實業(珠海)有限公司) (formerly known as Flextronics Industrial (Zhuhai) Co., Ltd. (偉創力實業(珠海)有限公司)), a limited liability company established on 19 August 1999 in accordance with PRC laws
"%"	per cent

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

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

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

This glossary contains definitions of certain technical terms used in this prospectus in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similarly terms adopted by other companies.

"3C"	the combination of computer, communication and consumer electronics
"advanced air mobility"	a new sector encompassing a range of commercial activities within low-altitude airspace (typically below 1,000 meters above sea level). The sector focuses on next-generation, electrically or hybrid-powered aerial mobility products and related systems, serving applications such as urban transportation, logistics, public services, and specialized industrial operations, and is characterized by stringent requirements for lightweight design, system integration, operational safety, and intelligent control
"AC"	alternating current, an electric current that reverses its direction many times a second at regular intervals
"AGV"	automated guided vehicle, portable robots that typically follow along marked long lines or wires on the floor, or use radio waves, vision cameras, magnets, or lasers for navigation, often used in industrial applications to transport heavy materials around a large industrial building
"AIDC"	AI data center
"AOI"	automated optical inspection
"APU"	acid production unit
"AR"	augmented reality, an enhanced version of reality created by the use of technology to overlay digital information on an image of something being viewed through a device
"BG"	business group
"BU"	business unit
"CFT"	customer focus team
"CNC"	computer numerical control, which is an automatic machine tool controlled by numerical instructions
"DC"	direct current, an electric current flowing in one direction only
"DOF"	degree of freedom, the number of independent parameters that define the motion of a mechanical or control system
"DPU"	diffusion purification unit, a unit used to purify gases or liquids through diffusion-based processes
"EHS"	environment, health and safety
"ERP"	enterprise resource planning

"EPS"	electric power steering system, a vehicle steering system that uses an electric motor to provide steering assistance
"GHG"	greenhouse gas
"IoT"	internet of things, the collective network of connected devices and the technology that facilitates communication between devices and the cloud, as well as between devices themselves
"JDM"	joint design manufacturing, a collaborative business model where a company and its manufacturer partner to jointly design and manufacture a product
"LPG"	liquefied petroleum gas, a fuel gas which contains a flammable mixture of hydrocarbon gases, specifically propane, n-butane and isobutane
"MES"	manufacturing execution system, a system which monitors and controls complex manufacturing systems and data across multiple function areas in a manufacturing process
"MIM"	metal injection molding, a metalworking process in which finely-powdered metal is mixed with binder material to create a feedstock that is then shaped and solidified using injection molding
"MWh"	megawatt-hour, a measure of energy used to quantify how much electricity is consumed or generated within a one-hour period
"NEV"	new energy vehicle, comprising battery electric vehicles, plug-in hybrid electric vehicles and fuel cell electric vehicles
"NOx"	nitrogen oxides
"ODM"	original design manufacturer, a company that designs and manufactures products to eventually be sold under third-party brands
"OEM"	original equipment manufacturer, a manufacturer or production entity that produces goods which are ultimately sold under third-party brands
"PC"	polycarbonate, an amorphous polymer which, upon melting and subsequent cooling, forms a transparent, glass-like material. It exhibits superior optical clarity and mechanical strength
"PMC"	production material control, the process of planning, monitoring and managing production materials to ensure timely supply for manufacturing operations
"PV"	photovoltaic, technology that converts sunlight directly into electricity using semiconductor materials
"PVD"	physical vapor deposition, a technology that allows the deposition of thin films by physical means, most often used for the deposition of metals
"QCC"	quality control circle

"R&D"	research and development
"SCARA"	selective compliance assembly robot arm, a type of industrial robot featuring a rigid vertical axis and flexible horizontal movement, optimized for high-speed and high-precision assembly, pick-and-place, and material handling operations
"SOx"	sulfur oxides
"UL 2799"	an internationally recognized environmental claim validation standard that certifies an organization's achievement of Zero Waste to Landfill through independent third-party verification
"VC"	vapor chamber, a type of heat dissipation device that utilizes phase-change and capillary action within a sealed chamber to achieve efficient thermal conductivity
"VDA"	German Association of the Automotive Industry
"VOCs"	volatile organic compounds
"VR"	virtual reality, the computer-generated simulation of a 3D image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment
"W"	watts, a measure of the rate of energy transfer over a unit of time, with one watt equal to one joule per second
"WMS"	warehouse management system, a system which allows enterprises to control and manage warehouse operations
"XR"	extended reality, a collective term that refers to immersive technologies, including AR, VR and mixed reality
"yield"	the percentage of products that meet quality standards through a manufacturing process, without needing rework or repairs

This Prospectus contains forward-looking statements and information relating to us and our subsidiary that are based on the intentions, beliefs, expectations or predictions 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 business partners; 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 our market leading position; the actions and developments of our competitors; 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 geographic 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; capital market developments; and all other risks and uncertainties described in the section headed "Risk Factors" in this Prospectus.

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 the section headed "Risk Factors" in this Prospectus.

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

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to invest in our H Shares. Our operations involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all or part of your investments 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, financial condition, results of operations and growth prospects. In any such event, the market price of our H Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

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 "Forward-looking Statements" in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We face intense competition in the global high-precision intelligent manufacturing platform industry, and failure to compete successfully could adversely affect our market position, business, financial condition and results of operations.

The global high-precision intelligent manufacturing platform industry is highly competitive and includes numerous companies with varying levels of engineering expertise and technological sophistication, some of which have achieved substantial market share. Competition is generally characterized by pricing pressures and rapid technological changes.

We compete with different companies depending on the product type and geographic region. Some competitors may have longer operating histories, stronger brand recognition, larger customer bases, and greater financial, sales and marketing, production, distribution, technical and other resources than we do. Their larger scale may provide advantages in production efficiency, cost control, and procurement of raw materials or utilities. Competitors may also devote more resources to R&D, creating technologies, products and solutions that are more advanced or efficient than ours. They may adapt more quickly to new technologies and changing customer demands. Failure to maintain a competitive position in technology, adapt to market changes, or compete effectively with existing or new competitors could materially and adversely affect our business, financial condition, results of operations and market position.

Our business depends largely on broader trends in our end markets. Our growth prospects and profit margins may not meet expectations if we are unable to expand our business in those markets.

We sell products that serve a range of end markets, including electronic devices and automotive and advanced air mobility, among others. Most of these markets are cyclical and are closely tied to global macroeconomic conditions. In particular, these are influenced by consumer spending power, infrastructure investment and government monetary and fiscal policies.

In addition, market demand for products and solutions that incorporate our components and modules in those end markets may fluctuate due to changing industry trends or evolving regulatory priorities. Negative publicity or public sentiment toward certain products in our end markets could reduce consumer demand, which may adversely affect the sales of parts and components we supply. Technology advancements in those end markets may also change customer requirements and preferences.

Factors affecting our end markets are beyond our control. If any of the foregoing factors result in a material slowdown in one or more of our key markets, or if growth in those markets weakens, our business, financial condition, results of operations and prospects may be materially and adversely affected if we are unable to adjust to market shifts or technological changes in a timely manner.

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.

We have undertaken acquisitions historically, and may continue to pursue acquisitions, strategic investments and partnerships. Such transactions may involve businesses, technologies, products, personnel, operations, supply chain capabilities or sales networks that are complementary to our existing business. However, there is no assurance that we will be able to identify suitable targets or complete acquisitions or investments on commercially acceptable terms.

Acquisitions and strategic investments involve valuation and due diligence risks. We may overestimate the value, growth prospects, profitability, market position, brand value or expected synergies of an acquisition target, or fail to identify liabilities, operational deficiencies, internal control weaknesses, regulatory compliance issues, product quality issues, intellectual property risks, customer or supplier concentration risks or other adverse matters during due diligence. If the actual performance of an acquired business, brand, technology or product falls short of our expectations, or if market conditions, competitive dynamics or customer demand change after completion, we may be unable to recover our investment or realize the anticipated benefits of the acquisition.

We may also face difficulties in integrating acquired businesses, brands, technologies, products, personnel and operations. Successful integration may require us to align business strategies and corporate cultures, retain key management and other personnel, integrate technologies, products, operating systems and sales channels, support existing supplier, distributor and customer relationships, and maintain the reputation and market positioning of acquired brands. These integration efforts may be complex, time-consuming and costly, and may divert management attention and resources from our existing business. We may also incur increased operating expenses, additional indebtedness, contingent or unforeseen liabilities, amortization expenses for intangible assets, or other costs in connection with acquisitions.

If any of the foregoing risks materialize, we may not be able to generate revenue from acquired businesses, technologies or products sufficient to meet our objectives in undertaking the acquisition or to offset the associated acquisition, integration and maintenance costs. We may also be unable to realize the anticipated benefits, synergies, cost savings or efficiencies from acquisitions, and may be required to recognize impairment losses on goodwill, intangible assets or other assets arising from such acquisitions, which in turn could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business may be adversely affected if we fail to innovate or introduce new products and solutions on a timely basis, and our investments in R&D may not yield the expected results.

The industry in which we operate is subject to rapid technological change and continuous innovation, resulting in relatively short product life cycles. We invest significant resources in R&D to offer products and solutions that meet customer demands, remain competitive and keep pace with evolving technologies.

R&D activities are inherently uncertain. We may allocate resources, including joint efforts with customers, to develop new products that may ultimately not reach commercialization due to shifts in market demand or technological trends. New products may also fail to satisfy customer requirements even after we have invested in process upgrades or manufacturing innovations. We cannot assure you that our R&D projects or those undertaken with our customers will lead to successful new product development, generate revenue, be completed on schedule, or stay within budget. Newly developed products and solutions may not achieve commercial success, meet anticipated sales targets, or generate expected profits.

Competitors may develop products and solutions that are similar or superior to ours at more competitive prices. Market windows for new products and solutions are often limited, and we may have to abandon developments that are no longer commercially viable, even after significant investment. In addition, our existing manufacturing processes may not always be sufficiently advanced or adaptable to support customer production at the required scale or quality level. We cannot assure you that our R&D activities will result in the successful development of new technologies, processes, or products and solutions at acceptable costs or within reasonable timeframes. Failure to launch products and solutions on time or with a competitive edge could materially and adversely affect our business, prospects, financial condition and results of operations.

We are subject to risks associated with our international businesses and operations.

We have expanded our global presence by offering our products and solutions to over 4,000 customers across over 30 countries and regions. As of December 31, 2025, we operated 80 regional hubs with 64 in Chinese Mainland and 16 located overseas. As we continue to grow internationally, we face a range of risks related to operating across multiple jurisdictions, including but not limited to: diversion of management attention and higher operating costs; difficulty in maintaining effective oversight and control of our subsidiaries overseas; limited experience, talent and resources in certain local markets; increasingly stringent regulatory and compliance obligations that may raise our costs and exposure; potential trade restrictions or sanctions; import and export licensing requirements; changes in tariff or customs policies; double taxation or other adverse tax outcomes; transportation and logistics delays; and fluctuations in exchange rates.

Any of the foregoing factors could materially and adversely affect our business, financial condition, results of operations and ability to sustain and expand our international operations.

We may be subject to risks associated with international trade policies, export controls, economic sanctions, geopolitics and trade protection measures.

We operate within a global supply chain, and our products and solutions are supplied globally as part of various end products. As such, our business is subject to risks arising from international trade regulations, government policies and geopolitical developments.

Recent trade tensions, such as the ongoing U.S.-China trade dispute, have resulted in higher tariffs, export controls, and other restrictive measures targeting high-technology goods, semiconductors, and electronic products. In February 2025, the President of the United States imposed a 20% tariff on Chinese goods (the “Fentanyl Tariffs”). On April 2, 2025, an additional 10% across-the-board tariff was imposed on imports from the United States’ trading partners, together with country-specific tariffs for certain jurisdictions (collectively, the “Reciprocal Tariffs,” and together with the Fentanyl Tariffs, the “Additional U.S. Tariffs”). Following this, reciprocal tariff rates targeting China have been adjusted multiple times. On October 30, 2025, based on the announcement by the Chinese and U.S. governments after the Sino-U.S. talk, 10% Fentanyl Tariffs will be cancelled, and 24% Reciprocal Tariffs on China will be further suspended for a year. Therefore, if no further changes occur, the Additional US Tariffs rate on China will remain at 20% until November 10, 2026, including a 10% Fentanyl Tariffs and a 10% Reciprocal Tariffs.

On February 20, 2026, the U.S. Supreme Court declared the Reciprocal Tariffs and Fentanyl Tariffs invalid. Subsequently, the U.S. government further increased universal tariffs through a 10% Section 122 tariff. Although the U.S. Court of International Trade (the “CIT”) ruled that the Section 122 tariffs were invalid for specific plaintiffs, the U.S. government has appealed and the Federal Circuit has entered an administrative stay, suspending the implementation of the CIT’s order, and thus the Section 122 tariffs remain in effect. International tariff policies remain highly fluid, and the eventual outcome of these proceedings, including whether the Additional U.S. Tariffs will be upheld or repealed, is uncertain. Should these tariffs remain in effect or be expanded, they could increase the cost of end products imported into the United States and reduce their competitiveness. Our customers importing products into the United States may seek to pass the additional costs on to us or to their downstream customers. Even if such costs are not directly passed onto us, reduced competitiveness of our customers’ end products could result in decreased or cancelled purchase orders.

On August 9, 2023, the Biden Administration issued an Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern, granting the U.S. government authority to establish and enforce an outbound investment screening regime. On October 28, 2024, the U.S. Department of the Treasury promulgated the "Final Rule" to implement this Executive Order, which became effective on January 2, 2025. The Final Rule regulates "covered transactions" by U.S. persons involving "covered foreign persons" linked to "countries of concern," particularly in three sectors related to national security technologies: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI. Given the nature of our business, we do not believe that we are directly or indirectly engaged in any "covered activities" as described in the definition of "prohibited transaction" and "notifiable transaction" (each as defined in the Final Rule). Therefore, we believe that our business will not trigger risks under Final Rule.

In addition, the Bureau of Industry and Security ("BIS") of the U.S. Department of Commerce has introduced several interim final rules since October 2022, including the BIS October 2022 Interim Final Rule ("IFR"), the BIS October 2023 IFR, and the BIS December 2024 IFR (together, the "BIS IFRs"). These measures impose new or expanded export licensing requirements for items subject to the U.S. Export Administration Regulations ("EAR") that are intended for use in developing or producing advanced computing integrated circuits, supercomputers, and advanced semiconductor manufacturing equipment in certain jurisdictions, including China. The BIS IFRs also added certain advanced and high-performance computing components to the Commerce Control List, further restricting exports to affected regions.

Moreover, the BIS maintains the Entity List and other restricted or prohibited parties' lists, which identify individuals and entities subject to enhanced export control restrictions. In recent years, an increasing number of entities, including hundreds based in China, have been added to such lists. The U.S. government has also expanded its export control regimes, restricting access to U.S.-origin goods, software, and technologies, as well as foreign products derived from U.S. technology.

Economic sanctions in the United States are primarily administered and enforced by the Office of Foreign Assets Control ("OFAC"), which implements comprehensive trade and financial sanctions targeting specific countries, regions, or designated entities and individuals. Similarly, the United Kingdom, through the Foreign, Commonwealth & Development Office ("FCDO") and the Office of Financial Sanctions Implementation ("OFSI"), maintains its own autonomous sanctions regime, which includes asset freezes and trade restrictions aligned with its geopolitical and security policies. These developments are unpredictable and may continue to evolve rapidly. Our business and reputation could be adversely affected if the relevant authorities were to determine that any of our past or future activities constitutes a violation of the relevant sanctions or provide a basis for a sanction designation of us.

Furthermore, the government of India amended the Foreign Direct Investment Policy ("FDI Policy") via Press Note 3 ("PN3") dated April 17, 2020, to mandate that any investment by an entity incorporated in a country that shares a land border with India ("LBC"), or where the beneficial owner of the investment is situated in or is a citizen of any such country, requires prior government approval. Additionally, any transfer of ownership of any existing or future FDI in an entity in India resulting in the beneficial ownership falling within the aforesaid jurisdiction(s) also requires Government approval. The contents of PN3 form part of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules"), and apply without any minimum investment threshold and affect investments from countries including China. However, the Government of India on March 15, 2026 via Press Note No. 2 (2026 Series) ("PN2") amended the FDI Policy and provided that the expression 'beneficial owner' of an investment into India shall mean the 'beneficial owner' of the investor entity that does not share land border with India with reference to the Prevention of Money Laundering Act, 2002 and determined as per criteria stipulated under the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 ("PML Rules").

PN2 provides criteria for determining beneficial ownership to be construed as vested in an LBC, and arises where citizens or entities of an LBC have the ability to, directly or indirectly, individually or cumulatively, independently or collectively, hold rights or entitlements: in excess of the applicable thresholds prescribed under Rule 9(3) of the PML Rules ("*Controlling ownership interest" means ownership of or entitlement to more than 10% of shares or capital or profits of the company*) over the investor entity which is incorporated or registered in a country other than a country sharing land border with India; which enable such citizen(s) and/or entity(ies) to exercise control over the investor entity referred above; or which enable such citizen(s) and/or entity(ies) to exercise ultimate effective control over the investee entity in any manner.

Any transfer of ownership of any existing or future FDI in an entity in India can be made under automatic route (not requiring prior government approval) if it does not result in beneficial ownership falling outside the thresholds mentioned under PML Rules that is presently 10% and non-controlling.

PN2 further provides that investments into India from an investor entity having any direct or indirect ownership by a citizen or entity of an LBC, and not requiring prior Government approval, shall be subject to a reporting requirement in the format prescribed under the Standard Operating Procedure ("SOP") dated May 4, 2026 issued by the Department for Promotion of Industry and Internal Trade ("DPIIT"). This reporting obligation is in addition to compliance with applicable sectoral caps, entry routes, and attendant conditions.

It is therefore unclear and may not be possible to determine whether any change in our shareholding structure or beneficial ownership following the Global Offering would trigger approval requirements. Given the continuous trading of our shares after the Listing, seeking approval on an ongoing basis would be impractical. The approval process is subject to administrative discretion and timing uncertainties. In terms of the SOP, investments by LBC entities in specified sectors such as capital goods, electronic capital goods, electric components, polysilicon, and ingot-wafer, would be eligible for an expedited approval process, with such proposals to be processed within 60 days, subject to meeting the prescribed conditions including majority ownership and control by resident Indian citizens or Indian-controlled entities. Any failure to obtain approval, if required, or any inadvertent non-compliance could result in monetary and other penalties, such as confiscation of Indian company shares or civil imprisonment in case of non-payment of penalty amount within the stipulated period, and materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period, as advised by our International Sanctions Counsel, we believe that U.S. tariffs, export controls, outbound investment restrictions and international sanctions regulations did not have any material direct or indirect impact on our business operations or financial performance. This assessment is based on the following considerations: (i) our products are not subject to U.S. export control regulations, and thus our sales will not be directly or indirectly affected by them; (ii) we have not engaged in any sanctioned activities, nor have we been subject to sanctions risks under applicable sanctions guidance, and thus sanctions regulations do not have impact on us; (iii) our business activities do not fall within the restricted scope of U.S. outbound investment regulations; (iv) for each year during the Track Record Period, our exports to the United States accounted for less than 1.0% of our total revenue and despite past frequent fluctuations in U.S. tariffs, the tariff policies between China and the U.S. have remained at a relatively low level; in addition, although certain customers who further export end products to the U.S. were affected by U.S. tariffs, the relevant tariff costs were not passed on to us, and we did not experience any material reduction in, or any material suspension or cancellation of, orders from such customers during the Track Record Period; we have also established manufacturing plants in countries such as India, Brazil and Vietnam, which enables us to better serve overseas customers as they diversify their supply chains and relocate production outside Chinese Mainland, and we had not experienced any material reduction in orders from such overseas customers during the Track Record Period.

Notwithstanding the foregoing, escalating geopolitical tensions have increased uncertainty surrounding our operations and business activities. With respect to export control and international sanctions regulations, as advised by our International Sanctions Counsel, although our transactions with certain entities included on applicable restrictions or sanctions lists do not violate the Export Administration Regulations nor are they likely to expose us to sanctions-related risks, we cannot rule out the possibility that the U.S. government or other governments or authorities may impose additional or more stringent export control measures. Such measures may expand the scope of controlled items to include goods or products that we procure or sell, which could adversely affect our sourcing costs, procurement channels and sales activities.

In addition, our business operations span multiple countries and regions. If U.S. economic sanctions were to be expanded to additional jurisdictions, or if our customers, suppliers or other business partners were to become subject to sanctions, our exposure to sanctions-related risks could increase. These developments may lead to higher compliance costs, as continuous monitoring of sanctions lists and regulatory developments would be required. If we are unable to identify or secure alternative customers or sources of supply on acceptable commercial terms, our business, financial condition and results of operations could be materially and adversely affected. Furthermore, dealings with customers or suppliers subject to export controls or sanctions may expose us to additional risks, including supply chain disruptions, regulatory scrutiny and potential penalties.

If our products do not meet our customers' quality standards, our business and financial condition may be negatively impacted.

Our business depends on our ability to provide products that meet our customers' quality standards and delivery requirements. If we fail to supply products that meet these expectations on a timely basis, our relationships with customers may be adversely affected, and we may lose business if we cannot restore their confidence. Customers typically conduct inspections and quality checks upon receipt of our core materials, high-precision functional components, modules and assembled systems, and they may return or request replacement for products that do not meet their standards. A high volume of product returns or exchanges could materially affect our revenue and profitability. In addition, for device assemblies subject to warranty, a significant number of warranty claims could increase costs and negatively affect our business, financial condition and results of operations.

Future operating results depend upon our ability to obtain raw materials in sufficient quantities on commercially reasonable terms from third-party suppliers. Raw material prices may fluctuate, and we may not be able to timely or fully pass on increases in raw material prices or risks to customers.

Our operations depend on the timely procurement of sufficient quantities of raw materials of satisfactory quality on commercially acceptable terms. Although we assess raw material availability when providing quotations to customers, there is typically a time gap between quotation and order placement, during which shortages or supply delays may arise and affect our ability to fulfill orders. In addition, certain customers require us to source specific materials from designated suppliers or pre-approved supplier lists, which may limit our flexibility to identify alternative sources or adjust product designs. If we are unable to obtain sufficient quantities of qualified raw materials in a timely manner and at reasonable costs, or if supply disruptions require additional product redesign or R&D efforts, our deliveries, profitability, reputation, business, financial condition and results of operations could be materially and adversely affected.

If we are not able to implement our production plans or effectively manage our capacity expansion, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our future growth and profitability depend in part on our ability to upgrade and expand our production capability and capacity in a timely and cost-effective manner to meet market demand and customer requirements. Such efforts involve, among other things, the procurement and installation of new facilities and equipment, the implementation of new manufacturing processes, and the recruitment and training of personnel, all of which may be affected by factors such as capital availability, delivery delays, installation difficulties and execution risks. During the Track Record Period, certain of our property, plant and equipment in the manufacturing division were physically idle, and we recorded impairment losses on owned property, plant and equipment and investment properties of RMB234.4 million, RMB45.5 million and RMB151.6 million, respectively, in connection with such idle assets. We cannot assure you that our production upgrades or expansion plans will be completed as planned, operate successfully, or be supported by sufficient market demand or product margins. If we fail to effectively plan, implement or manage our production capacity, we may experience prolonged or increased idling of production assets, incur additional impairment losses, or face increased costs, underutilized capacity, overcapacity or reduced profitability. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

Our margins and profitability may be adversely affected if we are unable to reduce costs or if the prices of our products and solutions decline sharply.

We face ongoing pressure from major customers to reduce costs. Our business also requires a substantial fixed cost base, and our production processes rely on manual labor. Profitability depends in part on spreading fixed production costs, including property, plant and equipment depreciation, over higher production volumes and controlling staff costs. If we cannot achieve sufficient production cost savings to offset price reductions, or if consumer demand for our products decreases, our margins and profitability may be materially and adversely affected.

In addition, our customers frequently request engineering or product design modifications during the production lifecycle. In some cases, we may not be able to pass on the resulting increase in production or tooling costs, which could further erode margins. In the longer term, rising labor costs could reduce our competitiveness, particularly if we are unable to improve labor productivity, enhance automation levels, or adjust pricing to reflect higher costs. Any failure to manage labor and input costs effectively may adversely affect our business, financial condition and results of operations.

We generate the majority of our revenue from a limited number of major customers, and our revenue could decline significantly if any of them reduces its purchases of, or fails to pay for, our products and solutions.

We generate a substantial portion of our revenue from a limited number of major customers. In 2023, 2024 and 2025, revenue from our five largest customers accounted for 52.0%, 56.0% and 57.5% of our total revenue, respectively. Sales to our largest customer accounted for 24.2%, 22.0% and 19.2% of our total revenue, respectively, during the same years. If any of these major customers reduces its purchases, delays payments or terminates its business relationship with us, our business, financial condition and results of operations will be negatively affected.

We do not have long-term agreements with all of our customers. Where no such agreement exists, we sell products and provide solutions on an order-by-order basis. Our sales arrangements with major customers generally do not specify fixed purchase quantities or minimum order commitments. Purchase volumes are usually determined from time to time based on customers' purchase orders. Although our major customers often share forecasts of their supply needs, they are not legally bound to issue orders consistent with those forecasts. In certain cases, customers may terminate their arrangements for specific product types at their discretion with prior written notice and without cause. We cannot assure you that we will be able to continue to supply products and solutions to our major customers at the current levels or on similar terms, or at all. If our products and solutions are not priced competitively or fail to meet customers' standards, they may reduce orders or switch to alternative suppliers.

Geopolitical tensions and uncertainty in global trade have also driven some major customers to diversify their supply chains and move production out of Chinese Mainland. Although we have established manufacturing plants in countries such as India, Brazil and Vietnam, among others, we may not be able to operate successfully in these markets or expand further as planned.

Our business, financial condition, and results of operations may be materially and adversely affected if: (i) there is any reduction, delay, or cancellation of orders from one or more major customers due to lower product sales or other reasons; (ii) one or more major customers switch to competing products and/or solutions; (iii) we lose one or more major customers and fail to replace them with new customers generating comparable revenue and profit; or (iv) any major customer fails to make timely payment for our products and/or solutions.

We expect to continue deriving a substantial portion of our revenue from a limited number of major customers in the foreseeable future. If our relationships with these customers are not sustained or do not develop as expected, we may not be able to maintain or grow our revenue and profit from these customers on scales that are comparable to historical levels, or at all.

Personal injuries or fatal accidents may occur at our manufacturing plants, which may subject us to administrative penalties and compensation claims, and could materially and adversely affect our reputation, business, financial condition and results of operations.

Our operations involve the use of heavy-duty and complex machinery, which may expose our employees to the risk of personal injury or fatal accidents at our manufacturing plants. Such risks may arise if employees fail to follow safety procedures, if management does not adequately implement safety policies, or if training programs are insufficient. We cannot assure you that accidents will not occur. Material accidents or fatalities could lead to investigations by government authorities, administrative penalties or compensation claims. Even if an incident is not caused by our negligence, it may result in significant costs, negative publicity, and damage to our reputation, which could materially and adversely affect our business, 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 rely on third-party logistics service providers to deliver certain products to our customers. Termination of, disputes with, or any deterioration in our relationships with these providers could result in delayed deliveries or higher costs. We may not be able to continue or extend agreements with our current logistics partners on terms acceptable to us or establish relationships with alternative providers capable of meeting our requirements. Failure to maintain or develop reliable logistics arrangements could limit our ability to supply products in sufficient quantities, on time, or at prices acceptable to our customers.

As we have no direct control over these providers, we cannot guarantee the quality or timeliness of their services. Delivery delays, product damage, or other disruptions caused by transportation shortages, natural disasters, labor strikes or other unforeseen events could harm our reputation, lead to loss of customers or sales, and materially and adversely affect our business, financial condition and results of operations. In addition, some of our suppliers also rely on third-party logistics providers to deliver materials to us. Any delays in their deliveries could affect our ability to obtain essential input and fulfill customer orders on schedule, further impacting our business, financial condition and results of operations.

We may not be able to accurately forecast customer demand, which could cause additional costs and difficulty in inventory management and may prevent us from fulfilling our customers' orders.

Managing inventory is critical to our financial performance. In 2023, 2024 and 2025, our inventory turnover days were 71 days, 56 days and 55 days, respectively. See "Financial Information — Selected Items in the Consolidated Statements of Financial Position — Inventories" for more details.

For stocking purposes, we generally forecast demand for our products in advance of actual sales. We cannot assure you that our forecasts will be accurate at all times. Significant or sudden shifts in market demand may reduce the effectiveness of our procurement and inventory management practices. An unexpected decline in demand could result in excessive, obsolete or depreciated inventory, tying up substantial capital and limiting our ability to allocate resources to other areas. Conversely, underestimating customer demand may cause inventory shortages, reduce sales opportunities, and harm our reputation and relationships with customers. Any of the foregoing outcomes could materially and adversely affect our business, financial condition and results of operations.

Our profitability is subject to pricing pressures arising from customer bargaining power, market competition, and evolving product dynamics.

We may from time to time face demands from customers for more favorable pricing or contractual terms due to factors such as intense industry competition, the bargaining power of certain major customers, evolving customer expectations, rapid technological changes, product lifecycle maturity and excess supply in the markets in which we operate. To remain competitive and maintain customer relationships, we may need to lower prices or offer concessions, particularly for product renewals or large-scale orders. If we are unable to offset such pricing pressure through improved production efficiency, cost reductions, increased sales volume or a more favorable product mix, our gross margins, profitability and growth prospects could be materially and adversely affected.

Impairment losses on goodwill or intangible assets could have a material adverse effect on our results of operations.

In 2023, 2024 and 2025, our impairment losses on goodwill amounted to RMB65.6 million, RMB128.7 million and RMB42.5 million, respectively. Goodwill is tested for impairment by assessing the recoverable amount of the cash-generating unit, or group of cash-generating units, to which it relates. If the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss is recognized. Any impairment loss on goodwill cannot be reversed in subsequent periods. See Note 15 to the Accountants' Report set out in Appendix I to this prospectus for more details on our goodwill and the relevant impairment policies. If we determine that goodwill is impaired, our business, financial condition and results of operations may be materially and adversely affected.

In 2023, 2024 and 2025, our impairment losses on intangible assets amounted to RMB0.3 million, RMB3.4 million and RMB4.0 million, respectively. Intangible assets with finite useful lives are amortized over their estimated useful life and assessed for impairment whenever there is an indication of impairment. The amortization period and method are reviewed at least annually. See Note 14 to the Accountants' Report set out in Appendix I to this prospectus for more details on our intangible assets (other than goodwill) and the relevant impairment policies. If any of our intangible assets are determined to be impaired, our business, financial condition and results of operations may be materially and adversely affected.

We may be subject to credit risk in collecting trade and bills receivables due from our customers.

During the Track Record Period, our trade and bills receivables (net of allowance) turnover days were 97 days, 84 days and 91 days, respectively. We cannot assure you that all amounts due to our Group will be collected on time. The bankruptcy or deterioration of the credit condition of major customers could materially and adversely affect our ability to collect trade and bills receivables.

We determine impairment of trade and other receivables on a forward-looking basis, recognizing expected lifetime losses from initial recognition of the assets. Our provision matrix is based on historically observed default rates over the expected life of receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. If significant amounts due to us are not settled on time, our liquidity, performance and profitability may be materially and adversely affected, and we may be required to make significant write-offs.

Our business depends substantially on the continuing efforts of our senior management, and our ability to attract and retain key employees, such as skilled engineers and experienced employees. The loss of any of these individuals could adversely affect our business and financial condition.

Our future success depends substantially on the continued services of our senior management. If one or more members of our senior management are unable or unwilling to continue serving in their present positions, we may not be able to replace them readily. As a result, our business may be severely disrupted, and we may incur additional expenses to recruit and retain new officers. In addition, if any member of our senior management joins a competitor or forms a competing company, we may lose some of our customers and, more importantly, our trade secrets. We protect our trade secrets by entering into confidentiality agreements, which contain the non-competition clauses, with each member of our senior management. However, we cannot assure you that, if any disputes arise between our senior management and us, these confidentiality clauses could be adequately enforced in our favor.

Our success also depends, to a significant extent, on the skills and efforts of our key managerial, technical and highly experienced employees, such as our skilled engineers and R&D team, and upon our ability to continue to attract, retain and motivate qualified personnel. We compete with other manufacturing companies and the competition for such employees is intense. We cannot assure you that we will be able to continue to attract and retain qualified employees, which is essential to our growth. The loss of the services of these key employees or the inability to attract or retain qualified employees could have a material adverse effect on us.

Our revenue and cost of sales are subject to foreign exchange fluctuations.

Certain of our trade and other receivables and trade and other payables, as well as a substantial portion of our revenue and cost of sales, are denominated in currencies other than Renminbi, our Group's functional currency. As a result, we are exposed to foreign exchange risks. Any significant fluctuation in exchange rates between Renminbi and foreign currencies may materially and adversely affect our results of operations. The fluctuation in exchange rate is influenced by macroeconomic conditions, geopolitical developments and divergent monetary policies between China and foreign countries. Our exposures to foreign currencies, mainly in U.S. dollars, have fluctuated during the Track Record Period. We cannot predict future movements in exchange rates or their impact on our financial performance, and we cannot assure you that we will not record net exchange losses in the future. See Note 33 to the Accountants' Report set out in Appendix I to this prospectus for more details.

If any of our employees breaches their non-disclosure obligations under confidentiality and non-compete agreements, our results of operations may be materially and negatively affected.

We rely on non-disclosure provisions in the confidentiality and non-compete agreements with our employees to protect our customer information, trade secrets and know-how. However, policing unauthorized use of sensitive customer information, proprietary technology or trade secrets is difficult and expensive, and we may need to resort to litigation to enforce or defend patents issued to us or to determine the enforceability, scope and validity of our proprietary rights or those of others. Such litigation and an adverse determination in any such litigation, if any, could result in substantial costs and diversion of resources and management attention, which could harm our business and competitive position. Accordingly, if any of our employees breaches their non-disclosure obligations, actions taken by us to protect our sensitive customer information, trade secrets and know-how may not be effective.

If we experience increases in direct labor costs, shortage of labor or deterioration in labor relations, our production costs may be affected.

Direct labor costs have been fluctuating and may rise in the future. Direct labor costs increases may cause our production costs to increase, and we may not be able to pass on such increase 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 production schedules and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects. See "Business — Employees" for more details. We cannot assure you that we will not have any labor disputes in the future. Any deterioration of our labor 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.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other business partners may materially and adversely affect our business.

We are exposed to risks of fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other business partners in the course of our business operations. Such misconduct could include fraud, corruption, bribery, collusion or other violations of applicable laws, including anti-corruption and anti-bribery laws, which could expose us to liabilities, fines and penalties imposed by government authorities, as well as significant reputational damage. We cannot assure you that our measures in place to monitor and prevent such misconduct would be effective at all times in identifying or mitigating all potential risks. Instances of misconduct may still occur, and any undetected or unresolved incidents could lead to adverse consequences, such as financial losses, legal liabilities or disruptions to our operations.

Furthermore, any publicized instances of fraudulent or illegal activities associated with our employees or business partners could harm our reputation, reducing customer and partner trust in our business. If such misconduct involves our employees, we could also face liabilities to third parties and penalties imposed by authorities. Accordingly, any failure to detect and prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other business partners could materially and adversely affect our business, financial condition and results of operations.

We are subject to potential adverse consequences in respect of certain of our existing properties owned and leased in Chinese Mainland.

As of the Latest Practicable Date, we had not obtained building ownership certificates for some of our owned buildings, which are mainly used for staff dormitories, production facilities and storage. See "Business — Properties — Owned Properties" for more details. As advised by our PRC Legal Adviser, relevant PRC government authorities may impose administrative penalties and different levels of fines for violations of applicable regulations. In addition, any claim or disputes related to the title of the properties leased by us may affect our ability to continue to occupy such properties and may result in relocation. During the Track Record Period, we had not received administrative penalty from the relevant authorities for the property title certificates defects. However, we cannot assure you that we will not be subject to any administrative action for these non-compliances in the future, or the legality of our use and occupation of the relevant buildings will not be challenged. If any of these were to happen, our business, results of operation and financial position may be adversely affected. Furthermore, under PRC law certain leases are required to be registered with the PRC government. See "Business — Properties — Leased Properties" for more details. We have several leases that have not been registered with the relevant PRC governmental authorities. Although non-registration of lease agreements will not affect the validity of such lease agreements, we may be subject to penalties and may result in adverse effects on our business, results of operations, financial position or prospects.

Our patents and other non-patented intellectual properties are valuable assets, and if we are unable to protect them from infringement or claims by third parties, our business prospects may be harmed.

Our success depends in part on our ability to obtain, maintain and enforce intellectual property protection for our technologies, processes and products, as well as to defend such rights against third-party challenges. However, we cannot assure you that our issued patents and patent applications will provide adequate protection for our technologies, processes or products, or that legal means will be sufficient to protect our proprietary rights or preserve our competitive advantage. In addition, as certain of our technologies, production methods and processes involve unpatented proprietary technologies, know-how and data, we also rely on trade secret protection and confidentiality arrangements with employees, suppliers and other relevant parties. Trade secrets are inherently difficult to protect, and such persons may intentionally or inadvertently disclose our confidential information, while confidentiality agreements may not be enforceable or provide adequate remedies in the event of unauthorized use or disclosure. It may also be difficult for us to prove or enforce claims against third parties who misappropriate our trade secrets, and competitors may independently develop equivalent technologies. If we are unable to adequately protect our patents, trade secrets or other intellectual property rights, our business, competitive position and prospects could be materially and adversely affected.

We may encounter future litigation by third parties based on claims that our technologies, processes or products infringe the intellectual property rights of others or that we have misappropriated the trade secrets of others. We may also initiate lawsuits to defend the ownership of our inventions and our trade secrets. It is difficult, if not impossible, to predict how such disputes would be resolved. Litigation relating to intellectual property rights is costly and diverts technical and management personnel from their normal responsibilities. Furthermore, we may not be able to prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of our technologies or processes and sale by competitors of products that resemble our products.

Various other issues may arise with respect to our intellectual property portfolio. We may not have sufficient intellectual property rights in all countries and regions where unauthorized third party copying or use of our proprietary technology may occur and the scope of our intellectual property might be more limited in certain countries and regions. Our existing and future patents may not be sufficient to protect our products, solutions or technologies and/or may not prevent others from developing competing products, solutions or technologies.

Unfavorable results of legal and regulatory proceedings could adversely affect our business, financial condition and results of operations.

We may be exposed to various litigation and legal compliance risks. Adverse outcomes in such proceedings could materially affect our financial statements in any reporting period. The results of legal and regulatory proceedings are inherently uncertain, and for certain matters, such as class actions, cost-effective insurance may not be available. Regardless of merit, these proceedings can be time-consuming, costly, and disruptive to our operations and may divert the attention of our management and key personnel from daily business activities. In addition, legal or regulatory proceedings may generate significant adverse publicity and damage our reputation, even if no liability is ultimately established.

We could be adversely affected if we violate anti-corruption, anti-bribery, anti-money laundering and similar laws in the jurisdictions in which we operate.

We are subject to anti-corruption, anti-bribery, anti-money laundering and related laws in the countries and jurisdictions where we conduct business. We have implemented policies and procedures aimed at promoting compliance by our Directors, officers, employees, representatives, consultants, agents and business partners. However, such policies and procedures may not be fully effective, and our personnel or business partners may engage in improper conduct for which we could be held responsible.

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any incidents, claims or non-compliance events under these laws that have materially and adversely affected our business. Nonetheless, violations of anti-corruption, anti-bribery or related laws could result in whistleblower complaints, negative media coverage, investigations, severe administrative, civil or criminal penalties, remedial measures and legal expenses. Any of these consequences could materially and adversely affect our business, financial condition, results of operations and reputation.

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 condition and results of operations.

We received government grants and preferential tax treatment under relevant preferential tax policies during the Track Record Period. During the Track Record Period, several of our subsidiaries were accredited as "High New Tech Enterprise" and were therefore entitled to a preferential income tax rate of 15%. In 2023, 2024 and 2025, we recognized income from government grants of RMB223.7 million, RMB230.8 million and RMB222.8 million.

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 impact our net income and materially increase our tax obligations. Government grants and preferential tax treatments are subject to review by authorities and may be adjusted or revoked at any time in the future. We cannot assure you that government grants and preferential tax treatments to which we and certain of our subsidiaries are currently entitled would be successfully renewed. We cannot assure you 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.

Our sales may be influenced by seasonality.

Our results of operations are affected by seasonal fluctuations in the demand for smart electronics and smart vehicles, which in turn influence our customers' demands for our products. We usually experience higher sales volume in the second half of the year due to increased shopping activities during the holiday season. Accordingly, various aspects of our operations, including sales, production utilization, working capital and operating cash flows, are exposed to the risks associated with seasonal fluctuations in the demand for our products, and our quarterly or half-year results may not reflect our full-year results.

If we experience operational disruption or machinery breakdown in our manufacturing plants, our inventory level and production schedule may be adversely affected.

Our ability to deliver quality products to customers on time and in the required quantities depends on the proper and reliable functioning of our production processes. These processes rely on the stable operation of our manufacturing plants, particularly key machinery and equipment. Any operational disruption or machinery breakdown could directly affect production schedules and inventory levels, potentially hindering our ability to fulfill customer orders and impacting customer satisfaction.

Operational disruptions or machinery breakdowns may result from unexpected events, including natural disasters, fires, technical or mechanical failures, power shortages, explosions, labor strikes, epidemics, loss of licenses, certifications or permits, changes in government planning for the underlying land, or regulatory developments. Instability or shortages in electricity supply could also halt production activities and delay customer deliveries. In such events, maintaining production volumes and adequate inventory may be challenging, and identifying or securing alternative facilities or machinery quickly and cost-effectively may not be feasible. Delays in resuming normal operations could affect the timing and quality of product deliveries, damage customer relationships and harm our reputation. Any prolonged suspension or significant disruption of production processes could materially and adversely affect our business, financial condition and results of operations.

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

We rely extensively on information technology systems and networks to manage and operate our business. Some of these systems are supported by third-party vendors, including cloud-based platforms and managed service providers. If these systems fail, experience disruptions and security breaches, or do not deliver expected benefits, our ability to manage operations could be impaired, which may have a material adverse effect on our business, financial condition and results of operations.

Our systems and networks may be disrupted or fail due to natural disasters, accidents, power outages, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic intrusions, or other unexpected events. Measures such as system redundancy and business continuity planning may be ineffective or insufficient in addressing all contingencies. Such disruptions could prevent access to our services, interfere with customer transactions, delay production or shipping, and materially affect our reputation, business, financial condition and results of operations.

Our information technology systems may also be vulnerable to cyberattacks, including viruses, malware, phishing attempts, ransomware, and unauthorized access. Cyberattack techniques evolve rapidly and may be difficult to detect for periods of time. We cannot assure you that our measures will prevent breaches or breakdowns in our systems or databases. Any significant loss, unavailability or unauthorized disclosure of our data could harm our business, competitive position and reputation, and could expose us to regulatory action, litigation or administrative fines. The costs and operational impact of responding to such incidents and implementing remediation measures could be substantial.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We collect and store business and transaction data generated in the course of our operations, including data relating to our customers, suppliers and business partners. The protection and secure maintenance of such data is critical to our operations and reputation. Our operations are subject to a variety of laws and regulations relating to data privacy and security, including an increasing number of requirements in the PRC and other jurisdictions in which we operate.

Failure or perceived failure to comply with these laws could result in regulatory investigations, fines, litigation, indemnification obligations, increased security costs, reputational damage, and disruptions to our business operations. Unauthorized access, loss or misuse of data, whether accidental or deliberate, could also lead to customer or employee concerns and adversely affect confidence in our business, even if such concerns are unfounded. Any of these outcomes could materially and adversely affect our business, financial condition and results of operations.

To address any ESG risks, we may incur additional costs, which may adversely affect our financial performance.

Sustainability and ESG considerations are crucial to our operations, and the identification, management and mitigation of additional ESG risks may result in increased costs and expenses, potentially impacting our financial performance. See "Business — Environmental, Social and Governance" for more details. In addition, the increasing ESG-related regulatory requirements, including the additional ESG disclosure mandates in Hong Kong after our Listing, may lead to rising compliance costs and cost of sales may rise. These additional requirements may entail incurring additional costs and potentially impact our profitability. On the other hand, failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing products from other companies, which may adversely affect our business, financial condition and results of operations.

Our insurance coverage may not be sufficient to cover the risks associated with our operations or any resulting losses.

We currently do not maintain business interruption insurance or environmental damage insurance for environmental emissions or accidents at our properties or arising from our operations. In the event of legal proceedings, we may incur significant costs and devote substantial time and resources to our defense.

We cannot assure you that major accidents will not occur during the course of our operations. Such accidents may result in significant property damage or personal injuries. Losses arising from these events may not be fully covered, or covered at all, by our existing insurance policies. Any such uninsured losses or required payments could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are required to obtain and maintain approvals, permits, licenses and certifications, including industry-specific quality management certifications, for our operations, and any loss of such approvals, permits, licenses or certifications could materially and adversely affect our business, financial condition, results of operations and prospects.

Our operations require various approvals, permits, licenses and certifications, including but not limited to environmental impact assessments, pollutant discharge permits and other authorizations under applicable national and local environmental laws in jurisdictions where we operate. Licenses and permits are generally subject to periodic review and renewal by the relevant authorities. We cannot assure you that we will be able to successfully renew all licenses or that existing approvals will be sufficient to conduct all current or future business. As our operations expand, we may need to obtain additional approvals, permits, licenses and certifications. Changes in laws and regulations may impose new or stricter requirements, and failure to obtain or maintain the necessary authorization may result in operational restrictions or penalties, which could disrupt our business and materially and adversely affect our financial condition, results of operations and prospects.

Certain industry-specific quality management certifications are critical for maintaining business relationships in end markets. The effectiveness of a quality management system depends on its design, employee training and adherence to policies and guidelines. Certification standards may be updated or become more stringent over time, and we cannot guarantee successful renewal or compliance with new standards. Obtaining or renewing certifications may be costly and time-consuming. Certain customers require suppliers to hold specific certifications or meet internal procedures and standards. Failure to maintain certifications or meet customer standards could result in reduced orders from existing customers or loss of potential business opportunities.

We operate in a capital-intensive industry, and the inability to obtain financing on time or on commercially acceptable terms may materially and adversely affect our business, financial condition and results of operations.

Our business requires substantial upfront investments, including production machinery and equipment, human resources, and R&D activities. We also need capital to support future production expansions and potential strategic acquisitions. We cannot assure you that the cash flow generated from our operations will be sufficient to fund future operations or expansion plans. We may not always be able to obtain additional financing on satisfactory or commercially acceptable terms, or at all. If we are unable to obtain financing in a timely manner or on acceptable terms, our business operations may be disrupted, and our expansion plans or potential acquisitions could be delayed. Any such inability could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business may be impacted by political events, war, terrorism, public health issues, natural disasters and other business interruptions.

Political events, war, terrorism, public health emergencies, natural disasters and other business interruptions could disrupt international trade and the global economy, and may materially affect our operations, our suppliers, logistics service providers and customers. Our business operations may be interrupted by, among other events, natural disasters, whether caused by climate change or otherwise, fires, power shortages, industrial accidents, terrorist attacks, labor disputes, pandemics, strikes, demonstrations, or other events beyond our control.

Such events could reduce demand for our products, delay or prevent the manufacture and delivery of products to our customers or impede the receipt of components or products from our suppliers. These disruptions may create inefficiencies, increase costs, and impact on the reliability of our supply chain. The unpredictable nature of such events makes it difficult to forecast their timing, severity or frequency. Any of these occurrences could materially and adversely affect our business operations, financial condition and results of operations.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

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

We have expanded our operational footprint to over 30 countries and regions worldwide. Accordingly, we have faced and 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 negatively affect our financial performance. These risks include the following: legal, regulatory, political, economic and commercial instability and uncertainty; changes in foreign tax and transfer pricing rules, regulations and other requirements, such as changes in tax rates and statutory and judicial interpretations of tax and transfer pricing laws; changes in international trade policies and regulations including those in relation to economic sanctions, export controls, and import restrictions, as well as trade barriers such as imposition of tariffs; difficulty in coping with possible conflict of laws resulting from import/export controls measures of different jurisdictions where we operate; changes in foreign country regulatory requirements, including data privacy laws; complexities relating to compliance with foreign anti-bribery, anti-corruption and anti-money laundering regulations and antitrust laws; difficulty in obtaining or enforcing intellectual property rights; difficulty in enforcing agreements and collecting overdue receivables through local legal systems; changes in geopolitical situations especially those in jurisdictions where we do business; strict foreign exchange controls and cash repatriation restrictions; inflation and/or deflation, and changes in interest rates; trade customer insolvency and the inability to collect accounts receivable; misconduct by our customers 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; labor disputes and work stoppages at our operations and suppliers; and increased costs associated with maintaining the ability to understand local markets and follow their trends.

In addition, we operated globally through subsidiaries across various jurisdictions and engaged in intra-group transactions in the ordinary course of business to support our global operations and supply chain. See "Financial Information — Transfer Pricing Arrangements" for more details. There can be no assurance that we will not be found to be operating in breach of the relevant tax and transfer pricing laws and regulations or that the relevant tax authorities will not challenge our transfer pricing arrangements. If such authorities determine that our intra-group transactions do not represent arm's length negotiations, they may impose transfer pricing adjustments, which could result in additional taxes, late payment interests, or penalties. Furthermore, relevant laws may be modified, which, as a result, may require changes to our tax and transfer pricing arrangements.

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

We operate across multiple jurisdictions with differing legal systems and regulatory frameworks, and the interpretation and enforcement of applicable laws and regulations may be uncertain or inconsistent. In certain markets where we operate, laws and regulations are evolving and may not fully address all aspects of commercial activities, while local authorities and courts may have broad discretion in interpreting statutory provisions, contractual terms and the enforceability of foreign judgments or arbitration awards. In addition, regulatory definitions and interpretations may lack clarity or consistency, which could increase the risk of non-compliance, disputes or difficulties in enforcing our contractual rights. Changes in existing laws and regulations, the adoption of new laws and regulations, or increased regulatory scrutiny in the markets where we operate may require us to devote additional resources to compliance and could adversely affect our business, financial condition and results of operations.

You may experience difficulty in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and a substantial portion of our business, assets and operations are located in China. In addition, the majority of our Directors and executive officers reside in China. As a result, it may not be possible for you to directly effect service of process outside China upon us or such Directors or executive officers. China and Hong Kong entered into 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 Pursuant to Choice of Court Agreements between Parties Concerned which came into effect on August 1, 2008 and was abolished on January 29, 2024, pursuant to which a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court. China and Hong Kong have concluded the Arrangement on Mutual Recognition and Enforcement of Civil and Commercial Judgments between the Mainland and the Hong Kong Special Administrative Region, which took effect on January 29, 2024. Accordingly, the scope of applicable cases for judicial assistance can be expanded. In principle, judgments made after January 29, 2024 are subject to the provisions of the new "Arrangement." However, for cases where the "written jurisdiction agreement" referred to in the old "Arrangement" was signed before January 29, 2024, the old "Arrangement" still applies regardless of when the judgment is made. Moreover, China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. As a result, recognition and enforcement in China of judgments of a court in any of these jurisdictions may be subject to uncertainties.

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

Under applicable PRC tax laws and regulations, including the EIT Law, the IIT Law and their implementation rules, and subject to any applicable tax treaty or similar arrangement, dividends paid by PRC resident enterprises to non-PRC resident investors and gains realized by such investors from the transfer of shares of PRC resident enterprises may be subject to PRC income tax. Certain preferential withholding tax treatments may apply to non-PRC resident individual holders of H Shares. See "Regulatory Overview" for more details. As of December 31, 2025, PRC tax rules had not expressly provided that individual income tax would be imposed on gains derived by non-PRC resident individuals from the transfer of shares of PRC resident enterprises listed on overseas stock exchanges. If 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 adversely affected. In addition, 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 have implemented A Share Incentive Plans, and may introduce further share incentive plans in the future. If we proceed with additional share incentive plans, our results of operations could be adversely affected.

We have adopted a series of A Share Incentive Plans since our incorporation. See "Appendix IV — 4. A Share Incentive Plans" for more details. In 2023, 2024 and 2025, we recorded equity-settled share-based payment expenses of RMB62.1 million, RMB101.2 million and RMB316.9 million, respectively. To further incentivize our employees, we may adopt other equity incentive plans and award additional equity incentives in the future. Issuance of Shares with respect to our share incentive plans may dilute the shareholding of our existing Shareholders and incur substantial share-based compensation that could have a material and adverse impact on our results of operations.

We are subject to governmental regulations on currency exchange.

We receive substantial payments from our operations in Chinese Mainland in RMB and may need to convert Renminbi into other currencies for the payment of dividends, if any, to holders of our H Shares, and to fund our business activities outside Chinese Mainland. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Chinese Mainland are subject to certain regulatory requirements under PRC laws over foreign currency conversion and remittance. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments or otherwise satisfy our foreign currency-denominated obligations.

Under existing foreign exchange regulations of Chinese Mainland, payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) ("SAFE") or its local branches by complying with certain procedural requirements. However, prior registration and other procedures with competent government authorities are required where Renminbi is to be converted into foreign currency and remitted out of Chinese Mainland to pay capital expenses. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of Chinese Mainland. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of Chinese Mainland or otherwise fund any future business activities that are conducted in foreign currencies.

Dividends payable by us to our foreign investors and gains on the sale of our H Shares may become subject to withholding taxes under PRC tax law.

Under the EIT Law and its implementation regulations issued by the Standing Committee of the National People's Congress, PRC income tax at the rate of 10% is applicable to dividends payable by a PRC "resident enterprise" to investors that are "non-resident enterprises" (those enterprises established under foreign law with its respective effective place of management outside of the PRC, but have an establishment or place of business within the PRC, or those that do not have an establishment or place of business in the PRC but have income originating from the PRC) to the extent such dividends have their source within the PRC. Similarly, any gain realized on the transfer of shares by such enterprises is also subject to 10% PRC enterprise income tax if such gain is regarded as income derived from sources within the PRC. One example of a limitation on the 10% withholding tax is that, pursuant to a tax treaty between the PRC and Hong Kong, which became effective on December 8, 2006, a company incorporated in Hong Kong is subject to withholding tax at the rate of 5% on dividends it receives from a company incorporated in the PRC if it holds a 25% or greater interest in the PRC company, or 10% if it holds an interest of less than 25% in the PRC company. If we are required under the PRC EIT Law to withhold PRC enterprise income tax on our dividends payable to our foreign Shareholders, or if you are required to pay PRC income tax on the transfer of your H Shares, the value of your investment in our H Shares may be materially and adversely affected.

We are subject to labor-related laws and regulations and any failure to comply may expose us to liabilities.

Companies operating in the PRC are required to participate in various employee benefit plans mandated by the government, including social insurance, housing provident fund, and other welfare-related contributions. See "Regulatory Overview — Regulations and Policies Related to Our Business in the PRC — Regulations on Labor and Social Welfare" for more details. The requirements and implementation of these plans may differ across regions due to varying levels of economic development. Relevant government authorities may review whether an employer has made adequate contributions, and employers who fail to comply may face late payment fees, fines, or other penalties.

During the Track Record Period and up to the Latest Practicable Date, we did not fully contribute social insurance or housing provident fund for certain employees in accordance with the relevant PRC laws and regulations. See "Business — Employees" for more details. During the Track Record Period and up to the Latest Practicable Date, we have not received any administrative penalties regarding social insurance or housing provident fund contributions. However, we cannot assure you that our historical and current practices will always satisfy government authorities in the PRC. Any non-compliance may require us to pay outstanding contributions within a prescribed period and to incur penalties for any shortfall.

In addition, failure to comply with other labor-related laws and regulations in the PRC could expose us to further fines or require us to compensate employees. We cannot assure you that our employment practices are, or will remain, fully compliant. Non-compliance may result in labor disputes, government investigations, or legal proceedings, which could divert resources, harm our reputation, and materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

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

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

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

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the Global Offering, our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be traded on the Hong Kong Stock Exchange. Under current laws and regulations of Chinese Mainland, 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 Overall Coordinators (for themselves and on behalf of the Underwriters) 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.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors.

The market price and trading volume of our H Shares may be highly volatile, and could fluctuate widely in response to factors such as variations in our revenue, earnings and cash flow, changes in our pricing policy for products or services as a result of competition, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in ratings by financial analysts and credit rating agencies, litigation, the removal of the restrictions on H share transactions or volatility in market prices and changes in the demand for our products. Any of these factors could cause large and sudden changes to the market price and trading volume at which our H Shares will trade. Further, derivative transactions that may be entered into by investors in our H Shares for hedging purposes, even if these transactions are settled only in cash, could still result in significant price and trading volume volatility of our H Shares. Besides, the Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that is not related to the operating performance of any particular company. This volatility may also materially and adversely affect the market price of our H Shares.

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 our H Shares or other securities relating to our H Shares in the public market by our Shareholders, 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 equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market sale of H Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our H Shares.

The interests of our Controlling Shareholders may not align with the interests of the Shareholders as a whole.

Immediately following the completion of the Global Offering (assuming no new A Shares are issued under the 2024 Share Option Scheme), the Controlling Shareholders will, directly and indirectly, hold approximately 52.32% of the total issued share capital. The Controlling Shareholders will, through their voting power at the general meetings, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition of assets, issuance of additional H Shares or other equity or debt securities, timing and amount of dividend payments and amendments to the Articles of Association. The Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the approval of the Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us or the Shareholders as a whole. This concentration of ownership may also discourage, delay or prevent a change in control of us, which could deprive the Shareholders of an opportunity to receive a premium for the H Shares as part of a sale of the Company and may significantly reduce the price of the H Shares.

Our historical dividends may not be indicative of our future dividend payments or our future dividend policy, and we cannot assure you whether and when we will pay dividends in the future.

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

Under the existing foreign exchange regulations of Chinese Mainland, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of Chinese Mainland to pay capital expenses such as the repayment of loans denominated in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of Chinese Mainland.

There will be a time gap of several business days between pricing and trading of our H Shares offered in the Global Offering.

Holders of our H Shares are subject to the risk that the trading prices of our H Shares could fall during the period before trading of our H Shares begins. The range of the Offer Price of our H Shares will be determined on the date of this prospectus. However, our H Shares will not commence trading on the Hong Kong Stock Exchange until they are delivered, which is expected to be two Hong Kong business days after the pricing date. As a result, investors may not be able to sell or otherwise deal in our H Shares during that period. Accordingly, holders of our H Shares are subject to the risk that the price of our H Shares could fall before trading begins as a result of adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

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

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in Chinese Mainland. As a result, from time to time, we publicly release information relating to us on the Shenzhen 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 Chinese Mainland, 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 Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this prospectus. As a result, 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.

We have significant discretion as to how we use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the Global Offering in ways you may not agree with or that do not yield a favorable return. See "Future Plans and Use of Proceeds" for more details of our intended use of proceeds from the Global Offering. However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the net proceeds from this Global Offering.

We cannot guarantee the quality, accuracy and comparability of the official government information and statistics in this prospectus.

Statistical and other information relating to our industry contained in this prospectus has been derived from various official governmental publications. Our Directors concluded that they have no reasonable grounds to believe and do not believe that any such information being included is untrue. However, we cannot guarantee the quality or accuracy of such official government information and statistics. Moreover, information and statistics derived from multiple sources may not be prepared on a comparable basis. None of us, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Sole Sponsor, the Overall Coordinator or any of the Underwriters has verified the accuracy of such information and statistics. We make no representation as to the accuracy of such information and statistics, which may not be consistent with other information publicly available or available from other sources. Accordingly, such statistics contained herein may not be accurate and should not be unduly relied upon.

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

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

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.

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the Listing Rules and the following exemptions from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our management, business operations and assets are primarily located outside Hong Kong. The principal management headquarters of our Group are primarily based in the PRC. Our Company considers that our Group's management is best able to attend to its functions be being based in the PRC. None of our executive Directors is or will be ordinarily resident in Hong Kong after the Listing of our Company. Our Directors consider that relocation of our executive Directors to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong. As such, we do not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

(a) pursuant to Rules 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Ms. Zeng and Ms. CHAN Wing Yan (陳詠欣) ("Ms. Chan") (the "Authorized Representatives"). Ms. Chan is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone, facsimile (if applicable) and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(b) when the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. We have provided the Stock Exchange with the contact details (i.e., mobile phone number, office phone number and email address, if applicable) of all Directors to facilitate communication with the Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives in the event that any Director expects to travel or otherwise be out of office. All our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;

(c) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Guotai Junan Capital Limited as our compliance advisor (the "Compliance Advisor"). The Compliance Advisor will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange;

(d) the Compliance Advisor will have access at all times to our Authorized Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as the additional channel of communication with the Stock Exchange when the Authorized Representatives are not available. Our Company shall ensure that our Authorized Representatives, Directors and our senior management members will timely provide such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor's duties as set forth in the Listing Rules. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Advisor;

(e) we will appoint other professional advisors (including legal advisors in Hong Kong) after the Listing to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and

(f) our Company has designated one of our staff members as the communication officer at our headquarters after the Listing who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company's professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Advisor, to keep abreast of any correspondence with and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARIES

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

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Institute of Chartered Secretaries; (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the Hong Kong Stock Exchange will consider the individual's: (a) length of employment with the issuer and other issuers and the roles he or she played; (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Guo Rui (郭瑞) ("**Mr. Guo**"), our vice president and secretary of the Board, as one of our joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of the Company to have as Mr. Guo as its joint company secretary, who is responsible for overseeing compliance matters, as well as general operations and management and Board related matters of the Company and has day-to-day knowledge of the Company's affairs. Mr. Guo has the nexus to the Board and close working relationship with the management of the Company necessary to perform the function of a joint company secretary and to take required actions in the most effective and efficient manner. However, Mr. Guo 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 fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Chan, who fully meets requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Guo for an initial period of three years from the Listing Date to enable Mr. Guo to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules. For details on Mr. Guo and Ms. Chan's qualifications and experience, see "Directors and Senior Management" in this Prospectus.

Accordingly, 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 3.28 and 8.17 of the Listing Rules such that Mr. Guo 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, and is granted on the condition that Ms. Chan, as a joint company secretary of our Company, will work closely with Mr. Guo to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Guo in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Chan will also assist Mr. Guo 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. Chan is expected to work closely with Mr. Guo and will maintain regular contact with Mr. Guo, the Directors and the senior management of our Company. In addition, Mr. Guo will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the Listing. Mr. Guo will also be assisted by (a) the Compliance Advisor, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Chan ceases to provide assistance to Mr. Guo as a joint company secretary for the three-year period after the Listing Date or where there are material breaches of the Listing Rules by our Company. Prior to the expiration of the initial three-year period, the qualifications and experience of Mr. Guo 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 to enable it to assess whether Mr. Guo, having benefited from the assistance of Ms. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE 2024 SHARE OPTION SCHEME

Pursuant to Rule 17.02(1)(b) of the Listing Rules, full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards must be disclosed in the prospectus.

Pursuant to paragraph 27 of Appendix D1A to the Listing Rules, the listing document should contain particulars of any capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Pursuant to Chapter 3.6 of the Guide for New Listing Applicants, the Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the issuer could demonstrate that such disclosures would be irrelevant and unduly burdensome, subject to certain conditions specified therein.

Pursuant to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus must state the matters specified in Part I of the Third Schedule.

Pursuant to paragraph 10 of Part I of the Third Schedule, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say,(a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the prospectus.

As of the Latest Practicable Date, our Company has granted outstanding options (the "Share Options") under the 2024 Share Option Scheme to 1,643 grantees (the "Grantees," each a "Grantee") for an aggregate of 150,241,371 A Shares, representing approximately 1.85% of the total number of Shares in issue immediately after completion of the Global Offering (assuming no additional A Shares are issued under the 2024 Share Option Scheme). None of the Share Options had been exercised and therefore no Shares underlying the Share Options had been issued as of the Latest Practicable Date. No Share Options were granted to any Directors, senior management members or consultants of our Company under the 2024 Share Option Scheme. No Share Options under the 2024 Share Option Scheme will be further granted after Listing, and all Share Options have been granted to specific individuals under the 2024 Share Option Scheme. For details of the 2024 Share Option Scheme, see "Statutory and General Information — 4. A Share Incentive Plan" in Appendix IV to this Prospectus.

We have applied for: (i) a waiver from the Stock Exchange from strict compliance with the requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, in relation to the outstanding Share Options granted under the 2024 Share Option Scheme; and (ii) a certificate of exemption from the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the outstanding Share Options granted under the 2024 Share Option Scheme, on the ground that strict compliance with the above requirements would be unduly burdensome for us on the basis of the following reasons:

(a) given that 1,643 grantees are involved for the grant of outstanding Share Options under the 2024 Share Option Scheme, our Directors consider that it would be unduly burdensome to disclose in this Prospectus full details of all the Share Options granted by us to each of the grantees, which would significantly increase the cost and time for information compilation and Prospectus preparation required for strict compliance with such disclosure requirements, as the Group would need to collect and verify the personal information of a large number of the grantees to meet the disclosure requirements;

(b) the disclosure of the personal details of each grantees, including their names, addresses and the number of Share Options granted to them, may require obtaining consent from all the grantees in order to comply with personal data privacy laws and principles, and it would be unduly burdensome for our Group to obtain such consents given the number of the grantees;

(c) full disclosure of the details of the grantees (which include their names and addresses), as well as the Share Options granted to each of them, would provide our competitors with our employees' compensation details and facilitate their soliciting activities which could impact our Group's ability to recruit and retain valuable personnel;

(d) the grant and exercise in full of the outstanding Share Options under the 2024 Share Option Scheme will not cause any material adverse impact to the financial position of our Group;

(e) there will not be any new H Shares issued under the 2024 Share Option Scheme, as the option plan was an A Share incentive plan;

(f) non-compliance with the disclosure requirements in relation to Share Options would not prevent our Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

(g) material information relating to the Share Options under the 2024 Share Option Scheme has been disclosed in this Prospectus, including (i) the total number of Share Options granted and outstanding under the 2024 Share Option Scheme and the number of underlying Shares, (ii) the exercise price per A Share and the exercise period, (iii) impact on earnings per Share upon full exercise of the outstanding options granted under the 2024 Share Option Scheme (assuming A Shares will be issued for the exercise of the outstanding options), and (iv) the details of the outstanding options granted under the 2024 Share Option Scheme by the range of underlying A Shares, including date of grant, vesting period, exercise price and the percentage of the Company's total issued share capital represented upon completion of the Global Offering. Our Directors consider that the information that is reasonably necessary for potential investors to make an informed assessment of our Company in their investment decision making process has been included in this Prospectus.

In light of the above, our Directors are of the view that the grant of the above mentioned waiver and exemption will not prejudice the interests of the investing public.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules in relation to the options granted under the 2024 Share Option Scheme on the conditions that:

(a) on an individual basis, full details of the outstanding Share Options granted by the Company under the 2024 Share Option Scheme to each of the Grantees as Director, member of the senior management and connected persons of the Company, including all the particulars required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be disclosed in this Prospectus;

(b) in respect of the Share Options granted under the 2024 Share Option Scheme to the remaining Grantees (other than those referred to in paragraph (a) above), disclosure will be made on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) 1 to 50,000 A Shares, (ii) 50,001 to 100,000 A Shares, (iii) 100,001 to 150,000 A Shares and (iv) 150,001 to 1,800,000 A Shares, including (i) the aggregate number of grantees and number of A Shares underlying the options granted under the 2024 Share Option Scheme; (ii) the dates of grant of the options under the 2024 Share Option Scheme; and (iii) the consideration paid of the Share Options (if any), vesting period, exercise period and exercise price of the Share Options granted under the 2024 Share Option Scheme;

(c) the aggregate number of A Shares underlying the outstanding options and the percentage of our Company's total issued share capital represented by such number of A Shares as of the Latest Practicable Date will be disclosed in this Prospectus;

(d) the dilution effect and impact on earning per share upon full exercise of the options under the 2024 Share Option Scheme will be disclose in this Prospectus;

(e) a summary of the principal terms of the 2024 Share Option Scheme will be disclosed in "Statutory and General Information — 4. A Share Incentive Plans" in Appendix IV to this Prospectus;

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

(g) a full list of all the Grantees who had been granted Share Options to subscribe for the Shares under the 2024 Share Option Scheme containing all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule are made available for public inspection in accordance with the arrangements set out in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Prospectus; and

(h) and the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from the disclosure requirements provided in paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

We have applied for, and the SFC has granted, a certificate of exemption from the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the 2024 Share Option Scheme on the conditions that:

(a) on an individual basis, full details of the options granted under the 2024 Share Option Scheme granted to each of our Director, member of senior management and connected persons of our Company are disclosed in this Prospectus as required by paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the outstanding Share Options granted under the 2024 Share Option Scheme to the other Grantees (other than those referred to in paragraph (a) above), on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) 1 to 50,000 A Shares, (ii) 50,001 to 100,000 A Shares, (iii) 100,001 to 150,000 A Shares and (iv) 150,001 to 1,800,000 A Shares, including the number of such Grantees and the number of A Shares subject to the Share Options granted under the 2024 Share Option Scheme, the consideration paid for the grant of the Share Options, the exercise price and exercise period of the Share Options are disclosed in this Prospectus;

(c) a full list of all the Grantees who had been granted Share Options to subscribe for the Shares under the 2024 Share Option Scheme containing all the particulars required under paragraph 10 of Part I of the Third Schedule are made available for public inspection in accordance with the arrangements set out in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Prospectus;

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

(e) this Prospectus is issued on or before June 17, 2026.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTION

We have entered into and expect to continue a transaction upon Listing that will constitute a partially continuing connected transactions of our Company under the Listing Rules, as described in the section headed "Connected Transactions" in this Prospectus. Our Directors consider that strict compliance with the applicable requirements under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules in respect of such continuing connected transaction. Apart from the announcement requirements for which waiver has been sought, we will comply with the relevant requirements under Chapter 14A of the Listing Rules. For further details, see "Connected Transactions" in this Prospectus.

WAIVER IN RELATION TO POST-TRACK RECORD PERIOD ACQUISITION

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants' report the results and balance sheet of any business or subsidiary acquired, agreed 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 this Prospectus.

Pursuant to note (4) of Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider an application for a waiver of Rules 4.04(2) and 4.04(4) of the Listing Rules taking into account the following factors:

(a) that all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;

(b) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the SFC in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(c) (i) where a new applicant's principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which Rule 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition, and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons. In this regard, "control" means the ability to exercise or control the exercise of 30% (or any amount specified in the Hong Kong Code on Takeovers and Mergers as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or

(ii) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (a) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under Rules 14.58 and 14.60 of the Listing Rules on each acquisition. In this regard, "unduly burdensome" will be assessed based on each new applicant's specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target's books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

Acquisition of Senyi and Readore

Background of Acquisition

Acquisition of Senyi

We entered into a share purchase agreement on September 9, 2025, as amended and supplemented in April 2026, to purchase 51%, including 10% for the first phase and 41% for the second phase, of shares of Shenzhen Senyi Investment Holdings Co., Ltd. (深圳森益投資控股有限公司) (the "**Senyi** ") from Tritree Holding (Hong Kong) Limited, which is an Independent Third party, at a cash consideration of RMB396.73 million based on arm's length negotiation, the valuation advisory report issued by an independent third party and the liability of Senyi. The consideration is expected to be fully settled in the second half of 2026. The completion of the acquisition of the Senyi is subject to fulfillment of the condition precedents set out in the agreement and therefore may or may not proceed. Assuming completion of the acquisition, the Senyi will be accounted as one of our subsidiaries. As of the Latest Practicable Date, the acquisition of the first phase of 10% of shares of Senyi has been completed.

The completion of the acquisition of Senyi is subject to certain customary conditions precedents, including, among others, delivery of compliance certificates; proper transfer and licensing of intellectual property and confirmation of asset ownership; execution of essential employment, non-compete and business agreements; diversification of suppliers and reduction of related-party transactions; and delivery of audited financial statements with unqualified opinions. The acquisition of Senyi will be funded entirely by the Group's internal resources and certain commercial loans, and will not involve the use of any proceeds from the Global Offering.

The Senyi was established in the PRC on July 17, 2025 as a holding company and Senyi and its subsidiary focus on specializing in the manufacturing of vacuum coating equipment and coating processing. With a core focus on modern metal surface film technology and guided by the forefront theory of vacuum ion coating, the Senyi adheres to a development strategy that combines cutting-edge equipment with high-tech advancements.

Through this acquisition, our company believe that it will deepen integration with our customer value chain, enhance our customer service capabilities, supplement production technologies such as vacuum ion coating, driving business development.

According to the audited financial results of Senyi prepared in accordance with the PRC Generally Accepted Accounting Principles, (i) its total assets as of December 31, 2024 and 2025 were approximately RMB300.1 million and RMB641.8 million, (ii) its revenues were approximately RMB271.3 million and RMB698.2 million for the year ended December 31, 2024 and 2025, and (iii) its net profits were approximately RMB78.8 million and RMB105.8 million for the year ended December 31, 2024 and 2025.

Acquisition of Readore

We entered into a share purchase agreement on December 22, 2025 to purchase 35% of shares of Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司) (the "Readore") from its then shareholders and acquire 17.78% of voting rights of Readore from Zhang Qiang who is a shareholders of Readore at that time, all shareholders of Readore then are Independent Third parties, at a cash consideration of RMB875 million based on arm's length negotiation and the valuation report issued by an independent valuer. The acquisition of Readore was completed on January 2026 and we held 52.78% of voting rights of Readore. Readore has been consolidated as a subsidiary of the Company since January 2026.

The acquisition of Readore was funded entirely by the Group's internal resources and certain commercial loans, and will not involve the use of any proceeds from the Global Offering.

The Readore was established in the PRC on June 16, 2009 and has a strong foundation of core technologies and extensive industry experience in enterprise-level server thermal management. Its main business includes key thermal management hardware products such as server liquid-cooling quick-disconnect connectors, liquid-cooling manifolds, single-phase liquid-cooling modules (server cold plates and optical module cold plates), phase-change liquid-cooling modules, and server vapor chambers. In addition, it provides busbars and server racks, positioning itself as a comprehensive server hardware solution provider with thermal management products at its core.

The acquisition will help our Company quickly acquire technical reserves and customer certification qualifications for the server liquid-cooling business of specific domestic and overseas clients. It will also reduce the development costs and product verification cycle of server power-related products. Readore can form strategic synergies with our Company's existing server business, further enriching the product portfolio of the server segment and enhancing the scale and profitability of the company's electronic devices business.

According to the audited financial results of Readore prepared in accordance with the PRC Generally Accepted Accounting Principles, (i) its total assets as of December 31, 2024 and 2025 were approximately RMB239.0 million and RMB713.9 million, (ii) its revenues were approximately RMB272.0 million and RMB836.3 million for the year ended December 31, 2024 and 2025, and (iii) its net losses were approximately RMB23.9 million and RMB125.0 million for the year ended December 31, 2024 and 2025.

For details, see note 36 to the Accountants' Report included in Appendix I to the prospectus.

Proposed Acquisition of Company A

The Group proposes to acquire the 29.8% of equity interests of Company A (the "Proposed Acquisition of Company A") for a consideration of approximately RMB30.0 million, which is expected to be settled in cash. The consideration is based on arm's length negotiations between the original owners of Company A (the "Original Owners of Company A") and us, taking into account a number of factors including the pre-money valuation of Company A's this round financing. We intend to use our internal resources to satisfy the cash consideration. In addition, the Group will be entitled to appoint a director in Company A upon the completion of the Proposed Acquisition of Company A.

The acquisition of Company A was funded entirely by the Group's internal resources, and will not involve the use of any proceeds from the Global Offering.

Company A is an advanced power module research and development center. The Company's principal business activities include the R&D of advanced power modules for server power supplies and other industry applications. In addition, the Company provides small-scale production services for international key accounts and mass production services for medium- and small-sized customers.

Collaboration with Company A enables the Company A to prioritize the allocation of its R&D resources and production capacity to meet the needs of the Group. Our Directors believe that the terms of the Proposed Acquisition of Company A are fair and reasonable and in the interests of the Shareholders as a whole. To the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, the Original Owners of Company A and their respective ultimate beneficial owners are Independent Third Parties.

According to the unaudited management accounts of Company A, (i) its total assets as of December 31, 2024 and 2025 were approximately RMB10.0 million and RMB25.0 million, (ii) its revenues were nil and nil for the year ended December 31, 2024 and 2025, and (iii) its net losses were RMB834.6 and RMB2,195.1 for the year ended December 31, 2024 and 2025.

For the avoidance of doubt, the name of the Company A is not disclosed in the Prospectus because (i) disclosure of its name in the prospectus is commercially sensitive and may jeopardize the Company's ability to consummate the proposed acquisition; (ii) the Company has not controlled Company A as of the Latest Practicable Date and Company A will not be consolidated as a subsidiary of the Company after the completion of the Proposed Acquisition of Company A; and (iii) given the competitive nature of the industry in which the Company operates, it is commercially sensitive to disclose the identities of the company the Company propose to invest in to avoid competitors to anticipate plans of business growth of the Company.

Conditions to the waiver granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the post-Track Record Period acquisition ("**Post-TRP Acquisition and Proposed Acquisition** ") on the following grounds:

(a) under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the Post-TRP Acquisition and Proposed Acquisition are below 5% by reference to the most recent audited financial year of the Track Record Period. We consider the Post-TRP Acquisition and Proposed Acquisition to be immaterial in the context of our Company's operations as a whole and therefore a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential investors' assessment of our business and future prospects when considering an investment in our Company.

(b) as we have not controlled Senyi and Company A as of the Latest Practicable Date, we are unable to provide our reporting accountant with full access to its financial record, provide it opportunities to fully familiarize with Senyi and Company A's accounting policies or to gather and compile the necessary financial information and supporting documents to prepare the financial information required under the Listing Rules. As such, it would be impracticable and unduly burdensome for us to disclose the financial information of Senyi and Company A in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.

(c) the Company confirms that the target in respect of the acquisition of Readore does not have available historical financial information which is readily available for disclosure in this document in accordance with the Listing Rules. Given we have only completed the acquisition of Readore in the end of January 2026, it will require considerable time and resources for us and our reporting accountants to fully familiarize with the management accounting policies of Readore and compile the necessary financial information and supporting documents for disclosure in our Prospectus. In addition, having considered the acquisition to be immaterial and that the Company does not expect the acquisition of Readore to have any material effect on its business, financial condition or operations, we believe that it would not be meaningful and would be impracticable within the tight timeframe for us to disclose the audited financial information of Readore as required under Rules 4.04(2) and 4.04(4) of the Listing Rules.

(d) we have provided alternative information in this Prospectus in connection with the Post-TRP Acquisition and Proposed Acquisition required for the announcement for a discloseable transaction under Chapter 14 of the Listing Rules including, among other things, (i) the reasons for the Post-TRP Acquisition and Proposed Acquisition , (ii) description of the principal business of the target companies, (iii) descriptions of the counterparty of the acquisition of the target companies and a confirmation that they are Independent Third Parties, (iv) the consideration for the Post-TRP Acquisition and Proposed Acquisition and how they were or expected to be satisfied, (v) basis on which the consideration for the Post-TRP Acquisition and Proposed Acquisition was determined, and (vi) key financial information of the target companies.

Financial Investments

Background of Investments

As of the Latest Practicable Date, the Group has made or intends to make financial investments in companies with favorable growth potential, aiming to capture future financial benefits and enhance shareholder value. The investments made or to be made by the Group have been passive investments, which are no more than 30% equity interests in the target companies, such that the target companies of the investments are not consolidated into the Group and the Group has no control over the board of directors of the target companies. The investments were or will be funded entirely by the Group's internal resources, and will not involve the use of any proceeds from the Global Offering.

Since December 31, 2025 (being the date to which its latest audited accounts will be made up in the prospectus of the Company) and up to the Latest Practicable Date, the Group has made or intends to make the investments, details of which are set out in below:

Name of the target company	Investment amount	Percentage of shareholding/ equity interest	Principal business of the target company	Basis for determining the investment amount
Company B	RMB30 million	0.27%	A full chain participant in the commercial aerospace industry in China	With reference to the pre-money valuation of Company B's this round financing
Company C	RMB18.11 million	10%	A supplier of joint modules	With reference to the pre-money valuation of Company C's this round of financing

The investments above ("Post-TRP Investments") will be settled in cash. The investment amounts for the Post-TRP Investments are the result of commercial arm's length negotiations, based on factors including market dynamics and/or mutually agreed valuations. To the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, the counterparty to the transactions set out above and its ultimate beneficial owner is the Independent Third Party.

The reason for the investments is that the Group's investments driven by the expectation that the future growth of these companies would generate meaningful financial returns and enhance shareholder value.

Conditions to the waiver granted by the Stock Exchange

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

(a) Making equity investments of this nature is part of the ordinary course of business of our Group. Most of such investments are classified as financial assets carried at fair value through profit or loss and are not consolidated into our Group's financial statements. Changes in the fair value are included in profit or loss in the period in which they arise and presented within "Other income and other gains, net" in the income statement. Upon disposal, the difference between the net sale proceeds and the carrying amount is also included in the income statement as "Other income and other gains, net."

(b) The applicable percentage ratios for the Post-TRP Investments are all significantly less than 5% by reference to the most recent financial year of the Track Record Period. Accordingly, we consider that the Post-TRP Investments are immaterial and do not expect it to have any material effect on the financial condition of the Group.

(c) We will use our internal resources to satisfy the cash consideration payable by us in relation to the Post-TRP Investments.

(d) We only hold minority equity interests in the target companies of the Post-TRP Investments and do not control its boards of directors. Given that our Group is neither able to exercise any control nor have any significant influence over the target companies of the Post-TRP Investments, we would not be able to compel or request the target companies of the Post-TRP Investments to cooperate with its 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.

(e) We have disclosed above the reasons for the Post-TRP Investments and confirmed that the counterparty and its ultimate beneficial owner is the Independent Third Party.

For the avoidance of doubt, the names of the companies that are the subjects of the Post-TRP Investments are not disclosed in the prospectus because (i) disclosure of the names of the relevant companies in the prospectus is commercially sensitive and may jeopardize our ability to consummate the proposed investments; and (ii) given the competitive nature of the industry in which we operate, it is commercially sensitive to disclose the identity of the companies we invested or propose to invest in to avoid our competitors to anticipate our plans of business growth.

ALLOCATION OF OUR H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES UNDER RULE 10.04 AND PARAGRAPH 1C(2) OF APPENDIX F1 TO THE HONG KONG LISTING RULES

Rule 10.04 of the Hong Kong 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 Hong Kong Listing Rules are fulfilled. It is provided in Rule 10.03(1) of the Hong Kong 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) that the minimum prescribed percentage of public shareholders required by Rule 19A.13A must be achieved. Paragraph 1C(2) of Appendix F1 to the Hong Kong Listing Rules provides, among other things, that, without the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to existing shareholders 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 Hong Kong Listing Rules are fulfilled. Chapter 4.15 (Placing-related Matters) of the Guide for New Listing Applicants provides guidance as to the conditions subject to which the Hong Kong Stock Exchange will consider giving consent and granting waiver from strict compliance with the requirements under Rule 10.04 of the Hong Kong Listing Rules to an applicant's existing shareholders or their close associates to participate in a global offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Our Company is a listed company, and its A Shares have been listed on the Shenzhen Stock Exchange since February 2018 (stock code: 002600.SZ). We have a large and widely dispersed public A Shares shareholder base.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 and consent pursuant to Paragraph 1C(2) of Appendix F1 to the Hong Kong Listing Rules and Chapter 4.15 of the Guide for New Listing Applicants to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% voting rights of our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected persons (collectively, the "**Existing Minority A Shareholders**") and/or their close associates, subject to the following conditions:

(a) each of the Existing Minority A Shareholders to whom our Company may allocate H Shares in the International Offering is interested in less than 5% voting rights in our Company prior to the completion of the Global Offering;

(b) each of the Existing Minority A Shareholders 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;

(c) none of the Existing Minority A Shareholders has the right to appoint any Director and/or has any other special rights in our Company;

(d) allocation to such Existing Minority A Shareholders or their close associates will not affect our ability to satisfy the public float requirement as prescribed by the Hong Kong Stock Exchange;

(e) we will confirm to the Hong Kong Stock Exchange in writing that:

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

   b. in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority A 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 A Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, and the Existing Minority A Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority A Shareholders or their close associates than those in other cornerstone investment agreements;

(f) in the case of participation either as a cornerstone investor or as a placee, the Overall Coordinators will confirm to the Hong Kong Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority A Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche; and

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

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 the Guide, 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 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 the Company's A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shenzhen Stock Exchange;

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

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

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

The Stock Exchange has granted 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 the Company's A Shares and trading volume on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date;

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

(e) the source for investor to access the latest market price of the Company's A Shares.

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

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This Prospectus, for which the Directors 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 Listing Rules for the purpose of giving information with regard to us. The Directors (including any proposed director who is named as such in this Prospectus), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. We have submitted a filing to the CSRC for application for the Listing on November 21, 2025. The CSRC has issued the filing notice dated May 19, 2026, confirming our completion of the filing procedures in connection with the proposed Listing and the Global Offering as required under the Overseas Listing Trial Measures for the Global Offering.

UNDERWRITING AND 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 81,181,320 H Shares initially offered and the International Offering of 730,630,560 H Shares initially offered (subject, in each case, to re-allocation on the basis under the section headed "Structure of the Global Offering").

The listing of our H Shares on the Hong Kong Stock Exchange is sponsored by the Sole Sponsor. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters on a conditional basis, with one of the conditions being that the Offer Price is agreed between the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and us. The International Underwriting Agreement is expected to be entered into on or about the Price Determination Date, subject to determination of the pricing of the H Shares and agreement on the Offer Price between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us. For details of the Underwriters and the underwriting arrangements, see the section headed "Underwriting" in this Prospectus.

The H Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sole Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, agents, employees, advisers or representatives, or any other party 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 at any subsequent time.

For details of the structure of the Global Offering, including its conditions, see the section headed "Structure of the Global Offering". For the procedures for applying for our H Shares, see "How to Apply for Hong Kong Offer Shares" in this Prospectus.

DETERMINATION OF THE OFFER PRICE

The H Shares are being offered at the Offer Price which will be determined by the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or before Wednesday, June 24, 2026 or such later date as may be agreed upon between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, and in any event no later than 12:00 noon on Wednesday, June 24, 2026. If the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on such date, the Global Offering will not proceed.

INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this Prospectus to make your investment decision. 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 made in this Prospectus must not be relied on by you as having been authorized by us, the Overall Coordinators, the Sole Sponsor, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this Prospectus or imply that the information contained in this Prospectus is correct as of any date subsequent to the date of this Prospectus.

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this Prospectus sets out the terms and conditions of the Hong Kong Public Offering.

RESTRICTIONS ON OFFER AND SALE OF THE H SHARES

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

No action has been taken to permit a public offering of the H Shares or the general distribution of this Prospectus in any jurisdiction other than in Hong Kong. Accordingly, this Prospectus may not be used for the purposes 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. The distribution of this Prospectus and the offering 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 and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

COMMENCEMENT OF DEALING IN THE H SHARES

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence at 9:00 a.m. on Friday, June 26, 2026. The H Shares will be traded in board lots of 660 H Shares each. The stock code of the H Shares will be 1688.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering. Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, June 26, 2026. Save as the A Shares that have been listed on the Shenzhen Stock Exchange and our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, no part of our share capital or debt securities 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 as of the Latest Practicable Date.

Under section 44B(l) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the H Shares to be listed on the Hong Kong Stock Exchange pursuant to this Prospectus has been refused before the expiration of three weeks from the date of the closing of the Global Offering or such longer period not exceeding six weeks as may, within the said three weeks, be notified to us by or on behalf of the Hong Kong Stock Exchange, then any allotment made on an application in pursuance of this Prospectus shall, whenever made, be void.

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 Hong Kong 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 date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares."

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the Offer Shares will be registered on the H Share register of members of the Company maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our principal register of members will also be maintained by us at our legal address in China.

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

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

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisers if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasize that none of our Company, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Sole Sponsor, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

LANGUAGE

If there is any inconsistency between the English version of this Prospectus and the Chinese translation of this Prospectus, the English version of this Prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in this English Prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

ROUNDING

Certain amounts and percentage figures included in this Prospectus 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.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars at specified rates. Unless otherwise specified, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this Prospectus was made at the following rates:

RMB0.8696 to HK$1.00

RMB6.8147 to US$1.00

HK$7.8369 to US$1.00

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

DIRECTORS

Name	Address	Nationality
Executive Directors		
Ms. Zeng Fangqin (曾芳勤)	No. 1 Jingcheng Second Road Yuyuan Industrial Area Huangjiang Town, Dongguan Guangdong Province PRC	Chinese (Hong Kong)
Mr. Jia Shuangyi (賈雙誼)	No. 69 Saierkang Avenue Xinqiao Road Baoan District Shenzhen Guangdong Province PRC	Chinese
Ms. Huang Jinrong (黃金榮)	No. 102 Xinxia Avenue Shanxia Village Pinghu Road Longgang District, Shenzhen Guangdong Province PRC	Chinese
Non-executive Director		
Ms. Wei Zhenghui (尉徵慧)	Building 11 Fenglin Oasis, Science Park Nanli Chaoyang District, Beijing PRC	Chinese
Independent Non-executive Directors		
Dr. Lau Kin Shing Charles (劉健成)	9th Floor, 164 Wai Yip Street Kwun Tong Kowloon Hong Kong	Chinese (Hong Kong)
Dr. Cai Yuanqing (蔡元慶)	6B, Building 11 No. 1002, Jinduanzhibin Kejinan Road Nanshan District, Shenzhen Guangdong Province PRC	Chinese
Mr. Ruan Chao (阮超)	601, Unit 2, Building 1 Yuanyang lvyuan, Jinhuanan Road Dahulu Community, Xiaohe Avenue Gongshu District, Hangzhou Zhejiang Province PRC	Chinese

For further details on our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**Guotai Junan Capital Limited** 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Sole Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Capital Market Intermediary	**Guotai Junan Securities (Hong Kong) Limited** 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Overall Coordinators and Joint Global Coordinators	**CLSA Limited** 18/F One Pacific Place 88 Queensway Hong Kong **J.P. Morgan Securities (Asia Pacific) Limited** 28/F, Chater House 8 Connaught Road Central Hong Kong **Citigroup Global Markets Asia Limited** 50/F, Champion Tower Three Garden Road Central Hong Kong
Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**CLSA Limited** 18/F One Pacific Place 88 Queensway Hong Kong **J.P. Morgan Securities (Asia Pacific) Limited** 28/F, Chater House 8 Connaught Road Central Hong Kong **Citigroup Global Markets Asia Limited** *(in relation to the Hong Kong Public Offering)* 50/F, Champion Tower Three Garden Road Central Hong Kong

Citigroup Global Markets Limited
(in relation to the International Offering)
33 Canada Square
Canary Wharf
London E14 5LB
United Kingdom

(The followings are in alphabetical order)

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 advisers to our Company

As to Hong Kong laws:

Cooley HK
35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC laws:

Jia Yuan Law Offices
45F, Media Finance Center
Pengcheng 1st Road
Futian District, Shenzhen
PRC

As to international sanctions laws:

King & Wood
10F, Building B4
Xinchen Lin-gang Center
Lane 9, Yunjuan North Road
Shengang Street
Pudong District
Shanghai
PRC

As to Finland laws:

Borenius Attorneys Ltd
Eteläesplanadi 2 00130 Helsinki Finland

As to Singapore laws:

Drew & Napier LLC
10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore

As to Hong Kong laws:

Li & Partners
22/F, World-Wide House
19 Des Voeux Road Central
Hong Kong

As to India laws:

Dua Associates
202-206, Tolstoy House, 15, Tolstoy Marg, New Delhi - 110 001, India

Legal advisers to the Sole Sponsor and the Underwriters

As to Hong Kong laws:

Zhong Lun Law Firm LLP
4/F, Jardine House
No. 1 Connaught Place
Central
Hong Kong

As to PRC laws:

Zhong Lun Law Firm
22-24/F & 27-31/F, South Tower
of CP Center
20 Jin He East Avenue
Chaoyang District
Beijing
PRC

Auditor and Reporting Accountants

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 4301-07, 43/F,
COSCO Tower
183 Queen's Road Central,
Hong Kong

Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Jingan District Shanghai PRC
Compliance Advisor	**Guotai Junan Capital Limited** 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Receiving Bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered Office, Headquarter and Principal Place of Business in the PRC	No. 8 Longwan Road Pengjiang District Jiangmen City, Guangdong Province PRC
Principal Place of Business in Hong Kong	901A, Empire center 68 Mody rd Tsim sha Tsui Hong Kong
Company's Website	**www.lingyiitech.com** *(The information contained on this website does not form part of this Prospectus)*
Joint Company Secretaries	**Mr. Guo Rui (郭瑞)** Gate 1, Building 9, Dizang An Xicheng District, Beijing PRC **Ms. CHAN Wing Yan (陳詠欣)** *(ACG, HKACG)* 46F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Authorized Representatives	**Ms. Zeng Fangqin (曾芳勤)** No. 1 Jingcheng Second Road Yuyuan Industrial Area Huangjiang Town, Dongguan Guangdong Province PRC **Ms. CHAN Wing Yan (陳詠欣)** *(ACG, HKACG)* 46F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Audit Committee	Dr. Lau Kin Shing Charles (劉健成) *(Chairperson)* Dr. Cai Yuanqing (蔡元慶) Mr. Ruan Chao (阮超)
Remuneration and Appraisal Committee	Mr. Ruan Chao (阮超) *(Chairperson)* Dr. Lau Kin Shing Charles (劉健成) Mr. Jia Shuangyi (賈雙誼)
Nomination Committee	Dr. Cai Yuanqing (蔡元慶) *(Chairperson)* Mr. Ruan Chao (阮超) Ms. Huang Jinrong (黃金榮)

Strategy and Development Committee	Ms. Zeng Fangqin (曾芳勤) *(Chairwoman)* Mr. Jia Shuangyi (賈雙誼) Ms. Wei Zhenghui (尉徵慧)
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Banks	**Bank of China Limited, Shenzhen Bantian Sub-branch** 2nd Floor, Zhong'an Building Buji Plaza Road, Buji Street Longgang District, Shenzhen Guangdong Province PRC
	Industrial and Commercial Bank of China, Shenzhen Fuyong Sub-branch No. 3 Fuyong Avenue Fuyong Street Baoan District, Shenzhen Guangdong Province PRC

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

OVERVIEW OF GLOBAL HIGH-PRECISION INTELLIGENT MANUFACTURING PLATFORM INDUSTRY FOR CORE ELECTRONIC DEVICES

Upgrading in product demand is driving electronic device manufacturers to enhance core competencies, as diversified applications require higher precision, stability, and iteration speed. This promotes production toward higher standards, efficiency, technological sophistication, and flexibility with lean, digitalized, automated, and green production systems enabling rapid multi-category switching and consistent quality, while globalized operations and scale become essential for adapting to the fast-evolving electronic device industry.

Electronic device development is underpinned by shared core technologies, enabling cross-category synergy. Although electronic devices span diverse domains such as consumer, industrial, and computing applications with varying product forms and use cases, the underlying technologies share significant commonality. These foundational capabilities can be replicated and optimized across product categories. Manufacturers equipped with high-precision intelligent manufacturing platforms for electronic devices can leverage existing technologies to adapt to new product lines, significantly reducing R&D costs and cycles. Through standardization of hardware modules and platformization of manufacturing systems, such firms achieve efficient resource integration and capacity optimization, fostering cross-category synergy and sustainable growth across the ecosystem.

Definition of High-Precision Intelligent Manufacturing Platform Industry for Core Electronic Devices

Core electronic devices refer to intelligent hardware that features intelligent interaction and perception capabilities. Specifically, it includes smart electronics such as smartphones (including foldable devices), tablets, laptops, smart wearables, and AI glasses and XR devices, as well as computing centers (enterprise servers) and innovative products (e.g., intelligent robots). Through high-performance computing platforms, intelligent operating systems, and multimodal interaction methods, these core electronic devices are revolutionizing human-machine interaction experiences and accelerating the adoption of AI technologies in both everyday life and industrial applications.

The high-precision intelligent manufacturing platform industry for core electronic devices refers to an integrated manufacturing system that serves smart electronics, computing centers (enterprise servers), and intelligent robots, combining advanced intelligent manufacturing processes, such as high-precision components manufacturing and processing, rapid prototyping technologies, and automatic control technologies, with digital production management. In this context, "high-precision" specifically refers to the use of advanced processing technologies to achieve strict and consistent control over component dimensions, geometry, positional accuracy, surface quality, and material properties, thereby enabling the manufacturing of components with high accuracy, high quality, and high stability. In this context, "intelligent" refers to the application of AI, automation technologies, and digital production systems across the manufacturing process, enabling real-time monitoring, adaptive production scheduling, intelligent quality inspection, process optimization, and data-driven decision-making. Companies in this industry focus on the design, production, and processing of high-precision components, which can be categorized into functional components and structural components. Functional components are parts that realize core functions under complex operating conditions, including bonding, cushioning, thermal management, sealing, electrical conduction, electromagnetic shielding, and insulation. Structural components are parts that provide mechanical support, positioning, and protection for internal modules, such as frames, brackets and enclosures. Through automation, intelligent quality control, and flexible scheduling, manufacturers achieve efficient, stable, and scalable production. These capabilities enable downstream products to meet the requirements for lightweight design, durability, thermal management, and multi-functional integration, making high-precision hardware a key enabler of core electronic device development.

High-precision intelligent manufacturing platform industry is defined by a combination of measurable and operational criteria, as set forth below:

- **High-precision manufacturing capability:** possessing advanced high-precision processing technologies, including but not limited to die-cutting, stamping, CNC machining, metal injection molding (MIM), injection molding, die casting, electroplating, 3D printing, softgoods processing, forging and anodizing, with the ability to meet strict dimensional accuracy and consistency requirements.

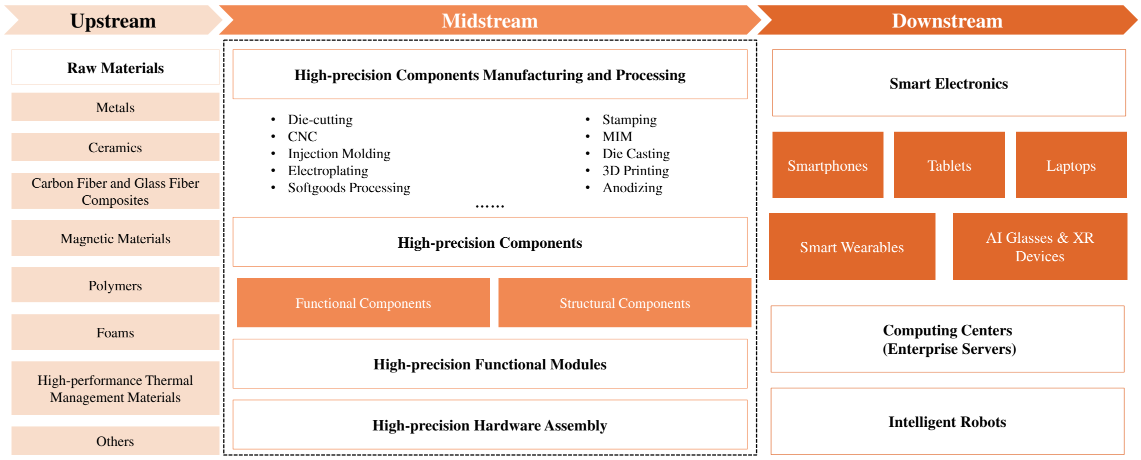
- **Product-oriented business model:** primarily engaged in the design, production, processing and sale of high-precision hardware products, including high-precision functional components and/or structural components and related high-precision functional modules, with industry scope defined based on revenue of product sales rather than manufacturing service or contract processing fees.

- **Platformized manufacturing capabilities:** operating integrated and scalable manufacturing platforms that support multi-process coordination, standardized quality control and intelligent production management, enabling efficient mass production and modular collaboration.

Value Chain Analysis of High-Precision Intelligent Manufacturing Platform Industry for Core Electronic Devices

The upstream of the industry mainly consists of raw materials used in high-precision hardware manufacturing. These materials ensure lightweight design, heat dissipation, strength, and durability. The midstream of the industry is the manufacturing of high-precision hardware. Leading companies in this sector possess advanced processing technologies such as die-cutting, stamping, CNC, MIM, injection molding, die casting, electroplating, 3D printing, softgoods processing, forging, and anodizing. Meanwhile, some leading companies have extended their business into high-precision functional modules, key materials, and hardware assembly, gradually achieving vertical integration across the entire industry chain and building one-stop intelligent manufacturing platforms. The downstream of the industry includes the core application scenarios. Leading companies in the sector adhere to a customer-centric service philosophy, maintaining long-term and stable strategic partnerships with globally-renowned downstream brands and backend equipment suppliers such as server manufacturers. They also participate deeply in customers' early-stage product development across multiple dimensions, including manufacturing processes, production facilities, technical R&D, and project management, securing sustained and stable orders from major clients.

Value Chain of High-Precision Intelligent Manufacturing Platform Industry for Core Electronic Devices



Source: Frost & Sullivan

Market Drivers and Developing Trends Analysis of Global High-Precision Intelligent Manufacturing Platform Industry for Core Electronic Devices

Innovative Electronic Devices Reshape the Value Proposition of the Smart Electronics Industry

The smart electronics market is showing a moderate recovery, driven by foldable devices, AI glasses, and XR devices, which are accelerating the upgrade of high-precision hardware technologies and shifting competition from cost and efficiency toward forward-looking technology reserves and collaborative innovation.

Foldable Devices: Leveraging their high technical barriers and high-value-added nature, foldable devices have become a new growth driver and a significant development opportunity in the smartphone market. By integrating flexible displays, multi-axis hinges, and support layers, they enable screen folding while imposing higher requirements on structural components such as display supports, hinge parts, rotary modules, and lightweight high-strength materials. As adoption accelerates, companies with capabilities in precision hinge machining, CNC processing, stamping, MIM, and automated assembly are poised for sustained growth.

AI Glasses: Merging AI technology with traditional eyewear, AI glasses offer features such as real-time voice interaction, image recognition, and navigation, providing convenient, intelligent experiences and are expected to see sustained growth. These products integrate cameras, sensors, and display modules while requiring on-device AI computing and local inference within a lightweight form factor, placing higher demands on manufacturers' capabilities in thermal management, precision structural components, and functional module integration. Their emergence is accelerating the development of precision and modular manufacturing systems and raising technical thresholds across the industry.

Computing Power Surge Drives Growth of Enterprise Servers

Driven by the rapid expansion of large-scale AI training and inference, global computing demand is surging, prompting hyperscale cloud service providers to accelerate the deployment of high-power data centers and driving global data center capital expenditure from over US$500 billion in 2025 to over US$3 trillion by 2030. Rising power consumption of commercial server chips, together with increasingly stringent energy-efficiency regulations for AI data centers ("AIDCs") across major regions, is accelerating the transition from traditional air cooling to liquid cooling solutions. At the same time, rack-level power density has increased from below 10 kW to over 200 kW, substantially boosting demand for server thermal management systems and power modules. As AI computing centers impose higher requirements on precision manufacturing, thermal performance, and long-term reliability, manufacturers with early technological leadership in high-precision server hardware are well-positioned to secure first-mover advantages amid the continued expansion of the enterprise server market.

Expansion of Intelligent Robotics Applications Drives Upgraded Demand for High-Precision Hardware

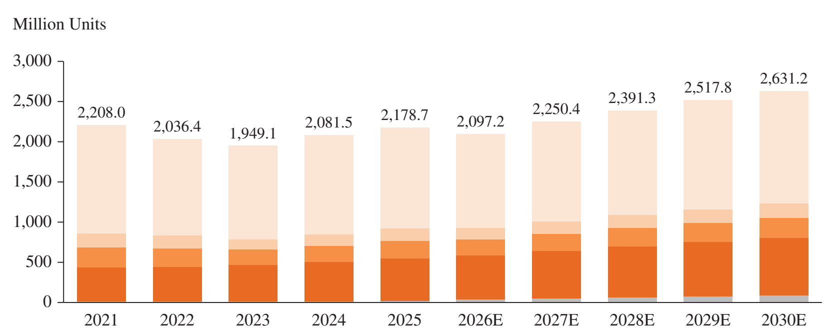
Empowered by continuous advancements in large AI models, intelligent robots are rapidly expanding into industrial, professional service, and consumer scenarios, driven by increasingly realistic perception and interaction capabilities, ergonomic structural design, and natural, fluid motion performance. Notably, improvements in the performance, stability, and safety of humanoid robots, combined with rising global labor costs and accelerating industrial automation, are fueling robust market growth. Global shipment volume of humanoid robots was approximately 18,000 units in 2025 and is forecast to grow to 800,000 units in 2030, representing a CAGR of 113.6% from 2025 to 2030. The widespread application of intelligent robots will directly drive demand for related high-precision component products, while also placing higher demands on manufacturers for lightweight design, durability, and modular design capabilities. Through the integration capability of high-precision components and functional modules, companies can support the stability, precision, and operational reliability of intelligent robots during operation, thereby supporting the continuous evolution and technological upgrading of the intelligent robotics industry.

Market Size of Global High-Precision Intelligent Manufacturing Platform Industry for Core Electronic Devices

Market Size of Global High-Precision Intelligent Manufacturing Platform Industry for Smart Electronics

The following chart illustrates the global historical and forecast shipment volume of smart electronics from 2021 to 2030. Among smartphones, foldable devices deliver a transformative user experience by seamlessly combining the portability of a traditional smartphone with the larger display area of a tablet. This dual-purpose design directly addresses growing demand for mobile productivity and immersive entertainment, thereby supporting rapid growth in future shipments of foldable devices. Meanwhile, the market for AI glasses and XR devices is expected to show rapid growth, collectively driving the fast penetration of global smart electronics. By leveraging cameras and microphones to perceive the user's surrounding environment, AI enables AI glasses and XR devices to deliver real-time, context-aware assistance, including instant translation, object recognition and workflow guidance. This integration transforms the hardware into an essential AI-human interaction interface, which is a key enabler of mass-market consumer adoption and supports the long-term growth potential of AI glasses and XR devices.

Shipment Volume of Global Smart Electronics, Classified by Product Types, 2021-2030E

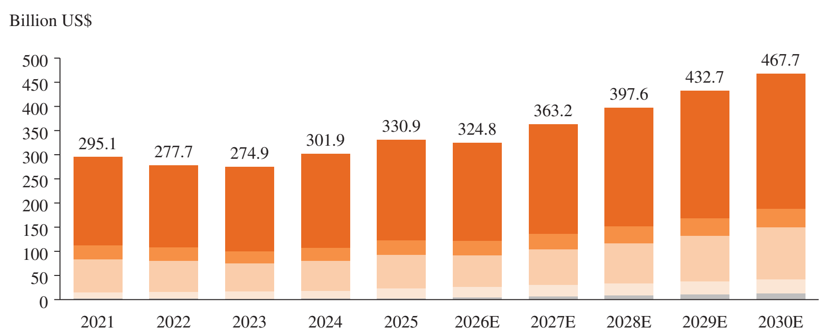


	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 2021-2025	CAGR 2026E-2030E
Smartphones	1,354.8	1,205.9	1,164.1	1,238.8	1,260.3	1,172.1	1,242.4	1,305.8	1,360.6	1,405.5	-1.8%	4.6%
of which, Foldable Devices	*7.1*	*14.2*	*18.3*	*23.8*	*26.2*	*30.7*	*38.4*	*47.8*	*59.3*	*73.2*	*38.6%*	*24.3%*
Tablets	168.8	161.6	128.5	140.1	153.8	144.6	154.0	162.3	169.3	174.7	-2.3%	4.8%
Laptops	250.3	226.3	192.7	201.2	218.0	198.4	215.3	228.2	238.5	249.2	-3.4%	5.9%
Smart Wearables	422.9	433.5	454.9	491.9	532.1	549.6	593.2	635.8	678.4	720.1	5.9%	7.0%
AI Glasses and XR Devices	11.2	9.1	8.9	9.6	14.5	32.5	45.5	59.2	71.0	81.7	6.7%	25.9%
Total	2,208.0	2,036.4	1,949.1	2,081.5	2,178.7	2,097.2	2,250.4	2,391.3	2,517.8	2,631.2	-0.3%	5.8%

Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

The increasing AI computing power and the growing richness of applications are driving the demand for high-precision intelligent manufacturing for smart electronics, including AI smartphones, AI PCs, AI glasses and XR devices. Platform vendors, leveraging their experience and understanding of intelligent manufacturing, are forming capabilities to deliver vertically integrated all-in-one solutions. Core technologies are focusing on collaborative innovation in areas such as advanced thermal management and new material applications. Smart electronics products are imposing increasingly high demands on hardware performance, lightweight or slim design, and multi-functional integration, directly spurring innovation in materials, manufacturing processes, and the functionality of structural components. Looking ahead, the ongoing development of new hardware categories such as foldable devices, AI glasses and XR devices will further drive hardware toward lighter and slimmer form factors, higher performance, and improved thermal dissipation. The following chart illustrates the global historical and forecast revenue of high-precision intelligent manufacturing platform industry for smart electronics from 2021 to 2030.

Market Size of Global High-Precision Intelligent Manufacturing Platform Industry for Smart Electronics, Classified by Product Types, 2021-2030E



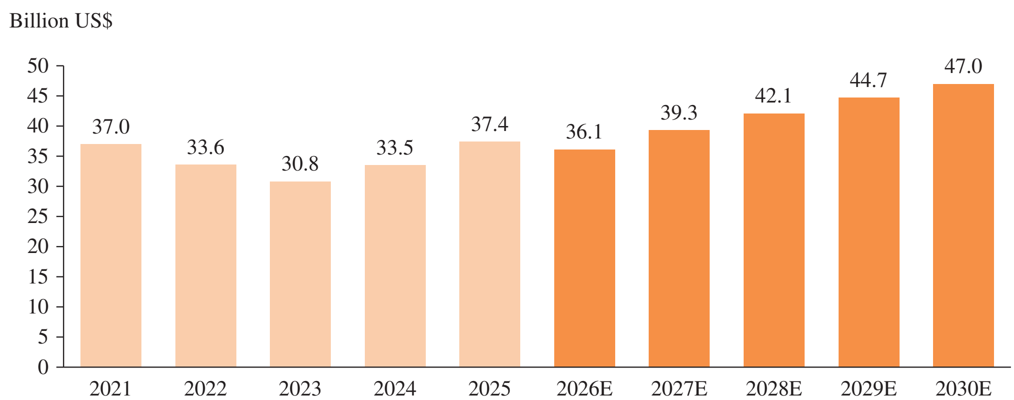
	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 2021-2025	CAGR 2026E-2030E
Smartphones	182.9	169.8	175.3	194.9	208.3	203.7	226.7	246.2	264.9	280.2	3.3%	8.3%
of which, Foldable Devices	*2.9*	*5.8*	*7.5*	*9.8*	*10.9*	*13.0*	*16.5*	*20.6*	*25.8*	*32.3*	*39.5%*	*25.7%*
Tablets	29.3	28.4	24.6	26.6	30.5	29.5	32.1	34.7	36.8	38.4	1.0%	6.8%
Laptops	68.2	63.7	58.3	62.1	69.5	65.7	74.5	82.9	93.4	107.6	0.5%	13.1%
Smart Wearables	12.6	14.1	15.1	16.6	20.3	21.3	23.5	25.5	27.4	29.3	12.7%	8.3%
AI Glasses and XR Devices	2.1	1.7	1.6	1.7	2.3	4.6	6.4	8.3	10.2	12.2	3.3%	27.5%
Total	295.1	277.7	274.9	301.9	330.9	324.8	363.2	397.6	432.7	467.7	2.9%	9.5%

Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

The high-precision functional components industry for smart electronics refers to the manufacturing of high-precision components that are embedded in smart electronic products. The industry represents a fundamental and indispensable segment of the high-precision intelligent manufacturing platform industry for smart electronics, providing the critical hardware foundation. The following chart illustrates the global historical and forecast revenue of high-precision functional components for smart electronics from 2021 to 2030.

Market Size of Global High-Precision Functional Components Industry for Smart Electronics, 2021-2030E

	CAGR 2021-2025	CAGR 2026E-2030E
Global High-Precision Functional Components Industry for Smart Electronics	0.2%	6.8%

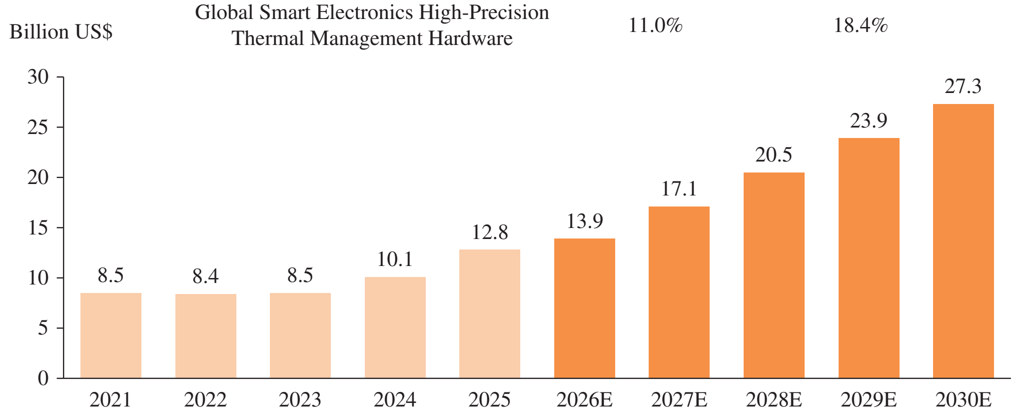


Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

High-precision thermal management hardware mainly comprises cooling components and modules for smart electronics. From a material perspective, thermal management technologies in smart electronics primarily include vapor chamber (VC) technology and other graphite sheet-based solutions. VC technology is gradually becoming the mainstream cooling solution for smart electronics because it offers efficient and uniform heat dissipation while meeting the devices' demand for slim and light designs. The strong future growth outlook is mainly driven by the convergence of several technology trends. AI integration and high-performance computing require NPUs and GPU clusters to operate at high loads for sustained periods, significantly increasing thermal density. Meanwhile, continued device miniaturization and the shift toward thinner, lighter, and more complex designs leave limited internal space for heat dissipation, heightening the need for compact and efficient thermal solutions. Ultra-fast charging and higher-speed data connectivity further raise power consumption, reinforcing demand for smart electronics high-precision thermal management hardware. The following chart illustrates the global historical and forecast revenue of smart electronics high-precision thermal management hardware from 2021 to 2030.

Market Size of Global Smart Electronics High-Precision Thermal Management Hardware, 2021-2030E

	CAGR 2021-2025	CAGR 2026E-2030E
Global Smart Electronics High-Precision Thermal Management Hardware	11.0%	18.4%

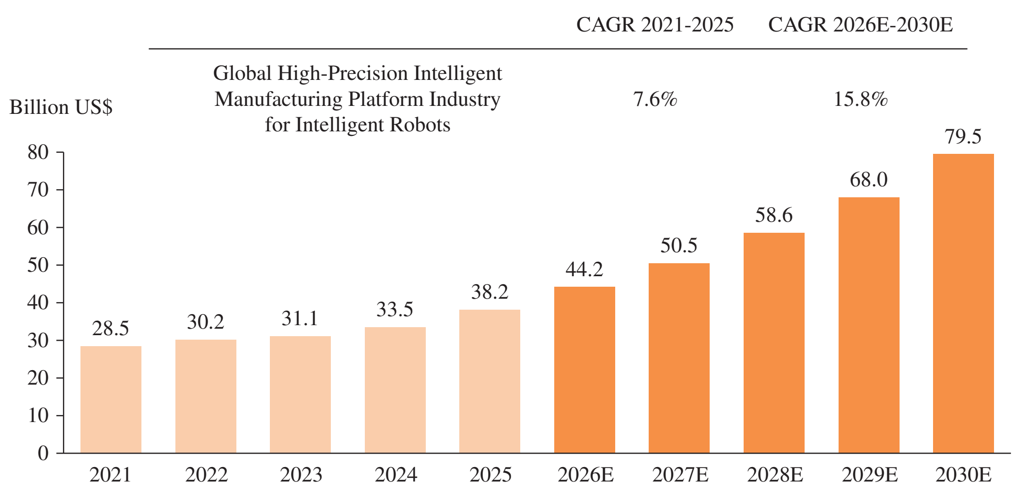


Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

Market Size of Global High-Precision Intelligent Manufacturing Platform Industry for Intelligent Robots

In recent years, the intelligent robot market has experienced rapid growth, driven by global manufacturing upgrades, labor structure changes, and breakthroughs in AI technologies. The market has expanded toward diversified directions, including service, industrial, and humanoid robots. Intelligent robots at the current stage demonstrate enhanced self-learning and collaborative capabilities across perception, decision-making, and execution layers, imposing higher demands on structural lightweighting, motion precision, and response speed. This trend drives technological evolution in core hardware, with components universally featuring high precision, high integration, and high stability, requiring exceptional manufacturing accuracy and consistency. Supported by hardware upgrades, process optimization, and continuous iteration of intelligent manufacturing systems, high-precision intelligent manufacturing platforms for intelligent robots are increasingly capable of meeting large-scale and high-precision production needs. These platforms drive continuous improvements in performance stability, assembly accuracy, and overall intelligence of robots. The strong growth outlook of the high-precision intelligent manufacturing platform industry for intelligent robots is underpinned by several structural drivers. The increasing application of intelligent robots in diverse scenarios, such as manufacturing, logistics and healthcare, is accelerating demand for large-scale, standardized and high-consistency production of precision components and modules. In addition, the rapid iteration of robot architectures and application scenarios is driving continuous demand for flexible, platformized manufacturing, further supporting the industry's further high-growth trajectory. The following chart illustrates the global historical and forecast revenue of high-precision intelligent manufacturing platform industry for intelligent robots from 2021 to 2030.

Market Size of Global High-precision Intelligent Manufacturing Platform Industry for Intelligent Robots, 2021-2030E

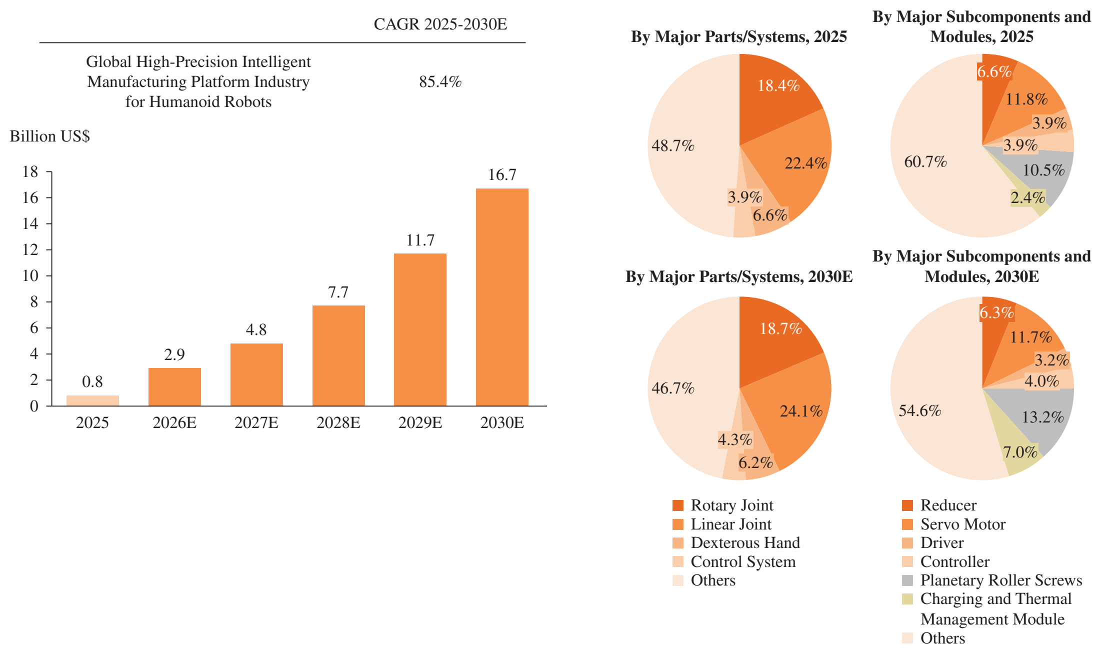


Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

With humanoid robots rapidly evolving from prototypes to commercial applications, the humanoid robot high-precision intelligent manufacturing platform market is emerging as a key growth area. Driven by breakthroughs in AI algorithms, continuous improvements in motion control systems, and expanding application scenarios across service, industrial, and consumer fields, the market size is expected to further expand. The future high-growth momentum of the global humanoid robot high-precision intelligent manufacturing platform industry is supported by several structural factors. First, the rapid advancement of AI foundation models and embodied intelligence continues to enhance perception, decision-making, and motion control capabilities, strengthening the technological foundation of humanoid robots. Second, the transition of humanoid robots from pilot projects to large-scale commercial deployment is accelerating, driving sustained demand for high-precision components for humanoid robots. In addition, ongoing cost reductions enabled by manufacturing scale-up, process optimization, and platform modularization are improving economic feasibility and further expanding downstream adoption across different scenarios. The following chart illustrates the global historical and forecast revenue of high-precision intelligent manufacturing platform industry for humanoid robots from 2025 to 2030.

Within humanoid robots, rotary joints, linear joints, and dexterous hands are critical parts of the execution system, driving substantial demand for high-precision components and modules. As humanoid robots need to achieve balanced walking, precise manipulation, and human-machine interaction in complex environments, they place extremely high demands on component precision, consistency, and response speed. High-precision components can significantly reduce transmission errors, enhance control accuracy, and improve dynamic stability, thereby ensuring smooth, safe, and reliable motion. With the continuous increase in the degrees of freedom and structural flexibility of robots, system integration complexity is rising. In the future, dependence on high-precision components and functional modules will deepen further, while requirements for precision, power density, and modular design will continue to grow. The combined value contribution of rotary joints, linear joints, and dexterous hands is expected to increase from approximately 47% in 2025 to approximately 49% in 2030.

Market Size of Global High-precision Intelligent Manufacturing Platform Industry for Humanoid Robots, 2025-2030E



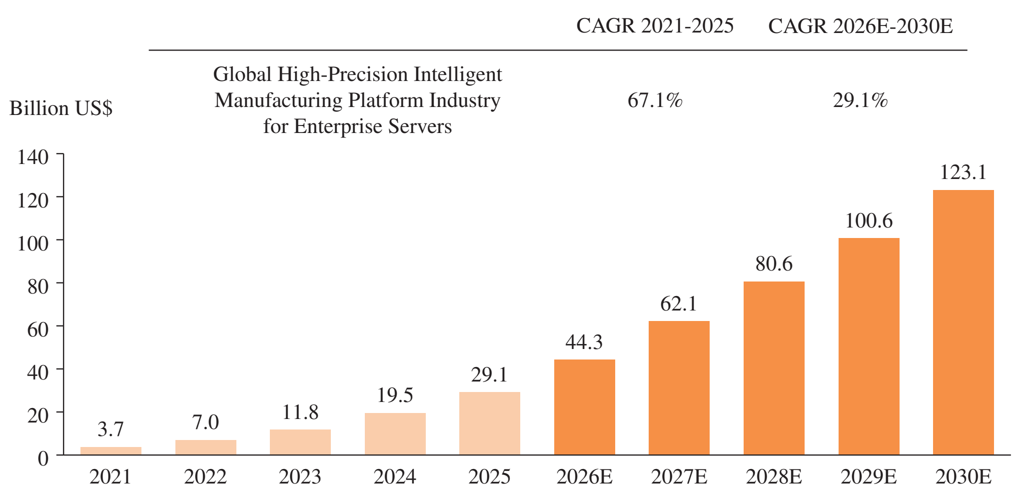
Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

Market Size of Global High-Precision Intelligent Manufacturing Platform Industry for Enterprise Servers

With the rapid growth in demand for large-scale AI model training and inference, global data centers are evolving towards higher power density and energy efficiency. Rack power density has increased from under 10kW to over 200kW, promoting liquid cooling modules and high-density power supplies as core R&D directions for the high-precision intelligent manufacturing platform serving enterprise servers. Liquid cooling modules, with their higher heat dissipation efficiency, lower energy consumption, and superior system stability, are rapidly replacing traditional air cooling, supporting high-computing-power chips operating stably in high heat flux density environments. Concurrently, power supply systems are also accelerating their upgrade towards high-voltage direct current (DC), high power density, and modularization to achieve higher energy efficiency and copper material utilization rates. Leading high-precision intelligent manufacturing platform companies are helping enterprise servers iterate towards higher performance and lower energy consumption by continuously improving the performance of thermal and power supply products.

The global market for high-precision intelligent manufacturing platforms for enterprise servers covers core components and functional modules. In recent years, benefiting from growing computing power demand and accelerated deployment of ultra-large-scale, high-power computer rooms by global AI giants and large cloud service providers, this market expanded rapidly. Looking forward, as demand for high-performance AI computing infrastructure continues to grow, the market expansion is expected to accelerate further. This growth is underpinned by the structural upgrade of AI computing infrastructure toward higher performance, higher precision, and greater system integration. As large-scale AI models continue to evolve, enterprise servers are increasingly shifting toward heterogeneous architectures with higher compute density and more complex core components, significantly raising requirements for precision manufacturing platforms. In addition, data center operators and cloud service providers are accelerating capacity expansion to support AI training and inference workloads. This growth is supported by the rapid expansion of AI server shipments, which are projected to increase from 2.1 million units in 2025 to over 5.0 million units in 2030, thereby providing a sustained demand foundation for relevant high-precision components. The following chart illustrates the global historical and forecast revenue of high-precision intelligent manufacturing platform industry for enterprise servers from 2021 to 2030.

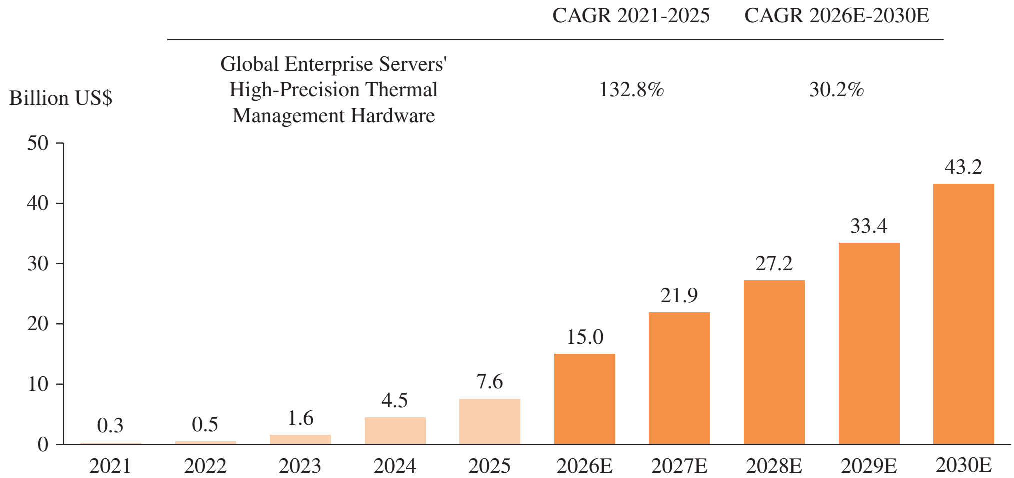
Market Size of Global High-Precision Intelligent Manufacturing Platform Industry for Enterprise Servers, 2021-2030E



Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

With the surge in AI computing power, the heat dissipation requirements of servers have increased significantly, driving exponential growth in the market for high-precision thermal management hardware for enterprise servers. Looking forward, the market is projected to maintain strong growth momentum. Against the backdrop of continuously increasing data center power density and energy efficiency requirements, traditional air-cooling methods can no longer adequately support the thermal management needs of enterprise servers, and liquid cooling solutions are rapidly gaining penetration. Beyond policy and energy-efficiency drivers, the continuous increase in AI server computing density and the large-scale deployment of high-power AI clusters are structurally elevating thermal management complexity and the value of thermal hardware per server. As next-generation GPUs and accelerators push rack-level power density to higher levels, traditional component-level cooling solutions are increasingly replaced by high-precision, system-level thermal management architectures. As a result, demand for high-precision thermal management hardware is expected to grow at a faster pace than overall enterprise server shipments. The following chart illustrates the global historical and forecast revenue of enterprise servers' high-precision thermal management hardware from 2021 to 2030.

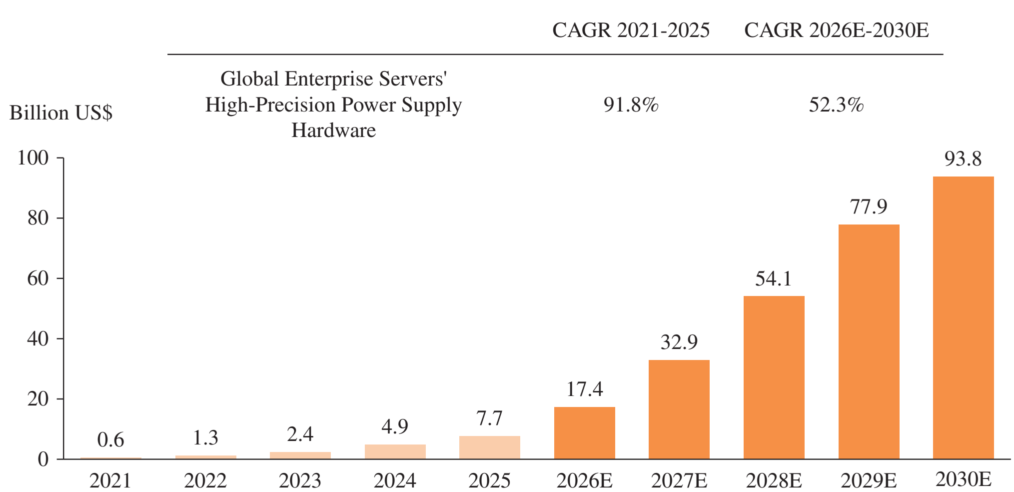
Market Size of Global Enterprise Servers' High-Precision Thermal Management Hardware, 2021-2030E



Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

As AIDC develops towards larger scale and higher power density, power supply systems are being correspondingly optimized to improve wiring and copper material utilization efficiency, thereby reducing infrastructure construction costs and transmission losses. This places higher standards on power supply systems in terms of efficient conversion, compact layout, and thermal optimization. Compared to traditional power supplies, power supplies for enterprise servers carry greater power per unit volume and ensure stable operation of equipment in high-load environments through advanced thermal design, effectively supporting high-power computing. In addition, rising AI computing density and rack-level power consumption are fundamentally reshaping enterprise server power architectures. As next-generation GPUs and accelerators drive higher power draw and more dynamic load profiles, power supply systems are required to deliver higher efficiency, faster transient response, and greater reliability under high-current conditions. Meanwhile, the shift toward higher-voltage and modular power architectures is increasing both system complexity and value per server. As a result, demand for high-precision power supply hardware is expected to maintain a fast growth rate. The following chart illustrates the global historical and forecast revenue of enterprise servers' high-precision power supply hardware from 2021 to 2030.

Market Size of Global Enterprise Servers' High-Precision Power Supply Hardware, 2021-2030E

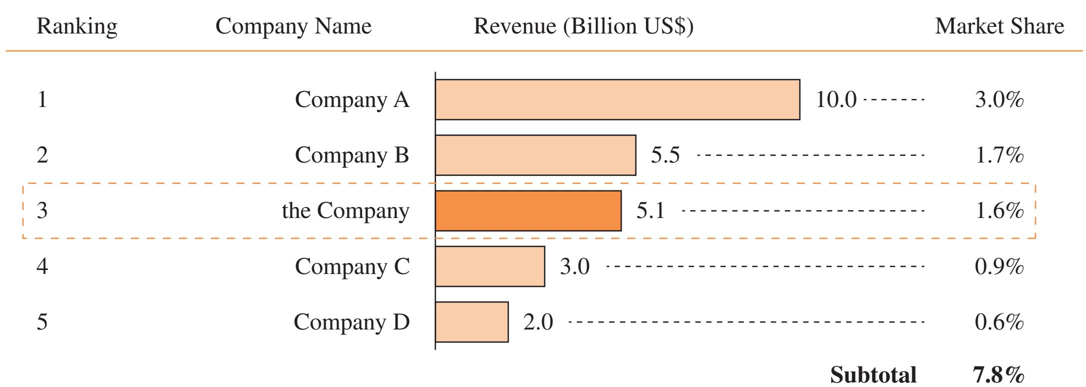


Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

Competitive Landscape of Global High-Precision Intelligent Manufacturing Platform Industry for Smart Electronics

Due to the diverse range of products, the global high-precision intelligent manufacturing platform industry for smart electronics is highly fragmented. In terms of revenue in 2025, the top five companies together accounted for a market share of 7.8%. Leading players hold competitive advantages in advanced process technology, large-scale manufacturing capacity, high-precision component integration, and long-term partnerships with downstream customers, enabling them to strengthen market entry barriers. Among them, the Company ranked third in this market in 2025, accounting for a market share of 1.6%.

Ranking of Global High-precision Intelligent Manufacturing Platform Industry for Smart Electronics by Revenue, 2025



Source: Annual reports of listed companies, Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

Notes:

1. Company A is a listed company on the Shenzhen Stock Exchange established in 2004, with a business focus on precision intelligent manufacturing, from components and modules to systems.

2. Company B is a listed company on the Shenzhen and Hong Kong Stock Exchanges established in 2003, mainly specializing in the design and manufacturing of high-precision structural components and modules, especially for smart electronics.

3. Company C is a non-listed company established in 1986, providing structural and modular solutions for intelligent devices, focusing on the intelligent manufacturing of precision structural components for smart electronics.

4. Company D is a listed company on the Shenzhen Stock Exchange established in 2001, mainly engaged in the production of precision structural components, modules, and complete devices, with leading manufacturing and integration capabilities in the fields of smart electronics, new energy, and intelligent equipment.

Competitive Landscape of Global High-Precision Functional Components Industry for Smart Electronics

As a core segment of the high-precision intelligent manufacturing platform industry for smart electronics, the global high-precision functional components industry for smart electronics is relatively fragmented. In terms of revenue in 2025, the top five companies together accounted for a market share of 10.0%. Leading companies leveraging precision manufacturing technologies, automated production systems and long-term partnerships with top-tier clients demonstrate notable advantages in product quality and delivery capability. Among them, the Company ranked first in this market in 2025, accounting for a market share of 7.0%.

Ranking of Global High-precision Functional Components Industry for Smart Electronics by Revenue, 2025

Ranking	Company Name	Revenue (Million US$)	Market Share
1	the Company	2,616.6	7.0%
2	Company E	630.0	1.7%
3	Company F	258.0	0.7%
4	Company G	154.0	0.4%
5	Company H	79.0	0.2%
		Subtotal	**10.0%**

Source: Annual reports of listed companies, Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

Notes:

1. Company E is a listed company on the Shenzhen Stock Exchange established in 1993, focusing on the manufacturing of high-precision functional components, electromagnetic shielding materials, and thermal conductive materials, which are widely applied in the smart electronics and communications sectors.

2. Company F is a listed company on the Shenzhen Stock Exchange established in 1999, mainly providing precision functional components, precision structural components, and modules for smart electronics.

3. Company G is a listed company on the Shenzhen Stock Exchange established in 2016, with main products including precision functional components and intelligent automation equipment, serving applications in smart electronics, automotive, and new energy industries.

4. Company H is a listed company on the Shenzhen Stock Exchange established in 2004, primarily engaged in the production and sales of functional and structural components for smart electronics, as well as optical and wearable modules.

OVERVIEW OF GLOBAL HIGH-PRECISION INTELLIGENT MANUFACTURING PLATFORM INDUSTRY FOR INTELLIGENT VEHICLES AND ADVANCED AIR MOBILITY

Definition of High-Precision Intelligent Manufacturing Platform Industry for Intelligent Vehicles and Advanced Air Mobility

In recent years, the intelligent vehicle industry has experienced rapid growth, driven by rising global demand and continuous policy support for environmental sustainability and intelligent transportation systems. Advancements in electrification and autonomous driving technologies have further accelerated the penetration of intelligent vehicles across markets. Looking ahead, the trend of "Intelligent Transformation of Both ICE Vehicles and Electric Vehicles" (油電雙智) is expected to become a key direction for the industry, catering to diverse consumer preferences and fostering large-scale global adoption and growth. The global sales volume of smart vehicles is expected to increase from 80.6 million units in 2026 to 116.4 million units in 2030, with a CAGR of 9.6%.

At the same time, advanced air mobility is emerging as a vibrant new sector, encompassing a range of commercial activities within low-altitude airspace (typically below 1,000 meters above sea level). The sector focuses on next-generation, electrically or hybrid-powered aerial mobility products and related systems, serving applications such as urban transportation, logistics, public services, and specialized industrial operations, and is characterized by stringent requirements for lightweight design, system integration, operational safety, and intelligent control. Its rapid rise is underpinned by favorable government policies, continuous technological progress, and expanding market demand. In the future, advanced air mobility is expected to evolve into a critical component of new infrastructure, transforming urban transportation, logistics, emergency response, and other application scenarios, while unlocking new opportunities for industrial and regional development.

Such high-precision hardware is integrated into key vehicle domains, including power systems, chassis systems, and body systems, which in turn support the progressive enhancement of vehicle intelligence, electrification, and connectivity, while contributing to improvements in product safety, reliability, and overall user experience.

Market Drivers and Developing Trends Analysis of Global High-Precision Intelligent Manufacturing Platform Industry for Intelligent Vehicles and Advanced Air Mobility

Technology-Driven Evolution

The rapid advancement of vehicle intelligence, electrification, and advanced air mobility is driving continuous innovation in automotive and aerospace manufacturing platforms. Rising complexity in powertrains, sensor modules, electronic control units (ECUs), connectivity systems, and propulsion units demands higher precision, integration, thermal management, and modularization, while miniaturization and reliability requirements spur innovation in materials, processes, and digitalized workflows. This convergence fosters platform-based, scalable, and intelligent manufacturing ecosystems that enable rapid customization, vertical integration, and long-term competitive advantages.

Strengthened Battery Safety Standards Accelerate Upgrades

Strengthened regulatory oversight on battery safety, thermal management, and crash protection is emerging as a major driver of structural innovation in intelligent manufacturing platforms serving both intelligent vehicles and advanced air mobility hardware. In China, the Ministry of Industry and Information Technology (MIIT) has led the development of a mandatory national standard, "Safety Requirements for Traction Battery of Electric Vehicles" (《電動汽車用動力蓄電池安全要求》), effective on July 1, 2026. This regulation introduces higher thresholds for battery safety, thermal runaway prevention, and structural integrity, setting a technical benchmark for the entire power battery industry.

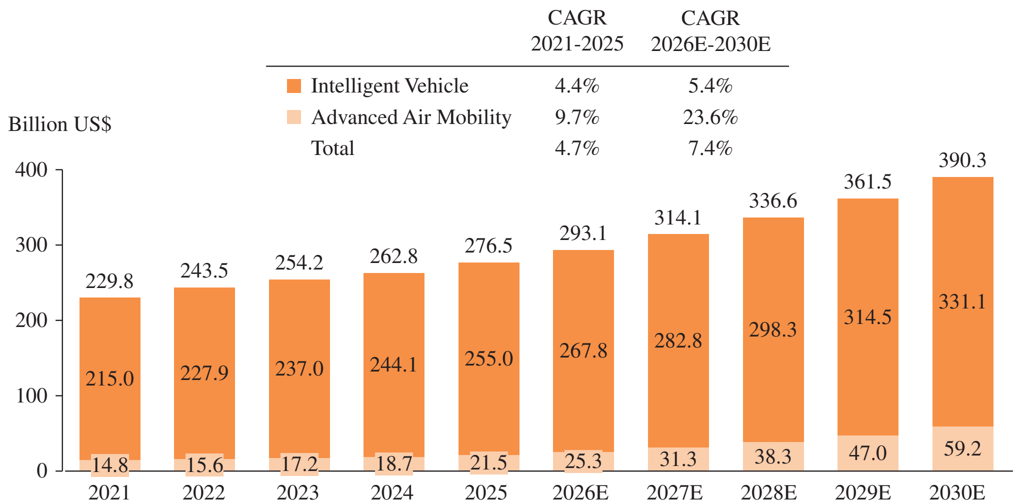
Accelerating Advanced Air Mobility Innovation Through Policy and Precision Manufacturing

Government initiatives such as relaxed airspace regulations, subsidies for innovation, and clearer regulatory frameworks are accelerating demand, providing manufacturers with stable order pipelines and expansion opportunities. To remain competitive, manufacturers must enhance precision in producing critical components, such as structural components and core modules, while meeting increasingly stringent requirements for safety, performance, and cost efficiency.

Market Size of Global High-Precision Intelligent Hardware Manufacturing Platform Industry for Intelligent Vehicles and Advanced Air Mobility

In recent years, driven by the rapid expansion of the intelligent vehicles and advanced air mobility industries, the global market size of high-precision intelligent manufacturing platforms for intelligent vehicles and advanced air mobility has maintained continuous growth over the past few years. Looking ahead, the industry's market size is projected to further expand. The intelligent vehicle segment is expected to remain the primary contributor, while the advanced air mobility, supported by ongoing technological innovation and favorable policy measures, is poised to become a key growth engine, creating substantial business opportunities across the entire industry value chain. The following chart illustrates the global historical and forecast revenue of high-precision intelligent manufacturing platform industry for intelligent vehicles and advanced air mobility from 2021 to 2030.

Market Size of Global High-Precision Intelligent Manufacturing Platform Industry for Intelligent Vehicles and Advanced Air Mobility, 2021-2030E



Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

Competitive Landscape of Global High-Precision Intelligent Manufacturing Platform Industry for Intelligent Vehicles and Advanced Air Mobility

The competitive landscape of the high-precision intelligent manufacturing platform industry for intelligent vehicles and advanced air mobility is highly fragmented and rapidly evolving. On a global basis, the industry comprises over 2,000 major market participants with in-house high-precision component manufacturing capabilities, including traditional automotive component suppliers, emerging high-tech startups, specialized high-precision hardware manufacturers, and vertically integrated original equipment manufacturers (OEMs). Each type of player possesses distinct advantages in areas such as high-precision manufacturing processes, automated production capabilities, lightweight material applications, and AI-driven manufacturing solutions, collectively forming a dynamic and highly competitive industrial ecosystem. Against this backdrop, companies in the industry must continuously innovate, enhance production efficiency, and build intelligent manufacturing platforms with flexibility and scalability to maintain competitiveness amid rapid technological iteration and intensifying market competition.

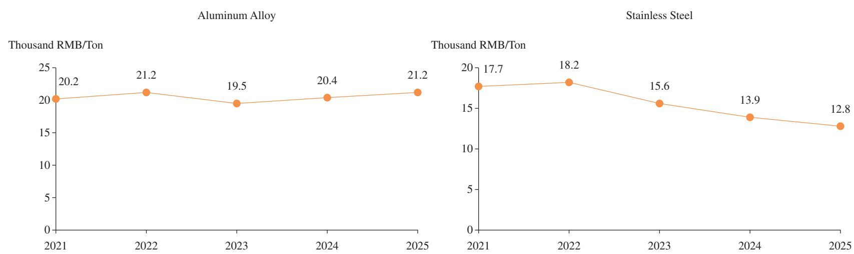
RAW MATERIAL PRICE ANALYSIS

The production of high-precision hardware relies on key raw materials such as aluminum alloys, stainless steel and cermet powder.

For aluminum alloys, strong demand for lightweight applications has driven prices from RMB20.2 thousand per ton in 2021 to RMB21.2 thousand per ton in 2025. Prices of aluminum alloys are expected to remain on an upward trajectory, underpinned by sustained demand and potential supply constraints.

Stainless steel is widely adopted in high-precision hardware for its durability and ability to ensure structural integrity. Driven by raw material shortages and soaring energy costs, stainless steel prices reached a historic high of RMB18.2 thousand per ton in 2022. Subsequently, as supply constraints eased and the global economy entered a period of slower growth, stainless steel prices gradually normalized, falling to around RMB12.8 thousand per ton in 2025. Looking ahead, prices are expected to remain relatively stable, supported by steady demand for high-grade stainless steel from the high-precision hardware industry.

Prices of Aluminum Alloy and Stainless Steel in China, 2021-2025



Source: Wind, BAIINFO, Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on global high-precision intelligent manufacturing platform industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB730,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data, as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and the PRC is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

This section sets out summaries of key laws, regulations and policies across major jurisdictions in which we operate, which are relevant to our business operations.

REGULATIONS AND POLICIES RELATED TO OUR BUSINESS IN THE PRC

Regulations and Policies on Precision Intelligent Manufacturing Solution Industry

According to the Notice of the National Development and Reform Commission of the PRC (NDRC) and the Ministry of Finance of the PRC (MOF) on the Intensified and Expanded Implementation of Large-Scale Equipment Renewal and Consumer Goods Trade-In Policies in 2025 (《國家發展改革委、財政部關於2025年加力擴圍實施大規模設備更新和消費品以舊換新政策的通知》) issued on January 5, 2025, policies such as subsidies for individual consumers purchasing mobile phones, tablets, and smart watches/bands will be implemented to expand support for the trade-in of consumer goods.

According to the Report on the Work of the Government (《政府工作報告》) delivered at the National People's Congress of the PRC (NPC) on March 5, 2025, the PRC government will accelerate the digitalization of manufacturing, foster a number of service providers with both industry expertise and digital know-how, and bolster support for digital transformation of small and medium-sized enterprises. Under the AI Plus initiative, the PRC government will work to effectively combine digital technologies with China's manufacturing and market strengths, support the extensive application of large-scale AI models and vigorously develop new-generation intelligent terminals and intelligent manufacturing equipment, including intelligent connected NEVs, AI-enabled phones and computers, and intelligent robots, and promote broader application of 5G technology, accelerate the innovation-driven development of the Industrial Internet, optimize the layout of computing resources across the country, and foster internationally competitive digital industry clusters.

On March 7, 2025, the Ministry of Industry and Information Technology of the PRC (MIIT) and the National Standardization Administration of the PRC issued National Guidelines for the Construction of Intelligent Manufacturing Standards System (2024 Edition) (《國家智能製造標準體系建設指南(2024年版)》) which point out that by 2026, more than 100 national and industry standards will be formulated or revised to build an intelligent manufacturing standards system that is adapted to the development of new industrialization, guiding enterprises to apply standards to practice, building enterprise intelligent manufacturing standards systems, and promoting the high-quality development of intelligent manufacturing.

On April 22, 2025, the MIIT, the NDRC and the National Data Administration promulgated the Implementation Plan for Digital Transformation of the Electronics and Information Manufacturing Industry (《電子信息製造業數字化轉型實施方案》), which proposed a two-phase target: (i) by 2027, new types of information infrastructure for the digital transformation and intelligent upgrading of the among other goals, electronics and information manufacturing industry will be basically improved, and the key-process numerically controlled rate of large-scale electronics and information manufacturing enterprises will exceed 85%, and (ii) by 2030, a relatively complete data-based institutional system and the industrial database for the electronics and information manufacturing industry will be established, and a number of landmark intelligent products will be formed.

On August 22, 2025, the MIIT and the MOF issued the 2025–2026 Stable Growth Action Plan for the Electronics Manufacturing Industry (《電子信息製造業2025–2026年穩增長行動方案》), aiming at enhancing the resilience and security level of the industrial and supply chains, maintaining the economic operation of the electronics manufacturing industry within a reasonable range, and providing strong support for the stable growth of the industrial economy. Measures to be taken for the implementation of this plan include promoting industrial transformation and upgrading, facilitating the smooth circulation of domestic and international markets and the economic cycle, and advancing the integration of technological innovation with industrial innovation.

Regulations on Company

The establishment, operation and management of corporate entities in the PRC are governed by the Company Law of the PRC (《中華人民共和國公司法》) (PRC Company Law), which was promulgated by the Standing Committee of the National People's Congress (SCNPC) on December 29, 1993 and was last amended on December 29, 2023. According to the PRC Company Law, companies in the PRC are generally classified into two categories, namely, limited liability companies and joint stock limited companies.

Regulations on Foreign Investment

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (FIL) which became effective on January 1, 2020. The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition. On December 26, 2019, the State Council of the PRC (State Council) promulgated the Implementation Rules for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (Implementation Rules) which became effective on January 1, 2020 and further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.

On October 26, 2022, the Ministry of Commerce of the PRC (MOFCOM) and the NDRC released the Catalog of Encouraged Industries for Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (Encouraged Catalog) which became effective on January 1, 2023. On September 6, 2024, MOFCOM and the NDRC released 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)》) (Negative List) which became effective on November 1, 2024. The Encouraged Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: "encouraged," "restricted" and "prohibited". Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List.

According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) implemented by the MOFCOM and the State Administration for Market Regulation of the PRC (SAMR) on 1 January 2020, foreign investors or foreign-invested enterprises shall submit investment information in a timely manner, follow the principles of truthfulness, accuracy and completeness, and shall not make false or misleading reports or material omissions.

Regulations on Outbound Investment

Pursuant to the Administrative Measures for Outbound Investment (2014) (《境外投資管理辦法(2014)》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC and effective from March 1, 2018, a domestic enterprise (the Investor) in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects (the Projects), report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by the Investor directly or through overseas enterprises controlled by them shall be subject to the management of verification and approval; non-sensitive Projects directly carried out by the Investor, namely, non-sensitive projects involving the Investor's direct contribution of assets or rights and interests or provision of financing or security, shall be subject to the management of record-filing.

Regulations on Product Quality

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) (Product Quality Law) promulgated by SCNPC which was latest amended on December 29, 2018, applies to all production and sale activities in the PRC. Pursuant to the Product Quality Law, products offered for sale must satisfy relevant quality and safety standards. Enterprises may not produce or sell counterfeit products in any fashion, including forging brand labels or giving false information regarding a product's manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes physical injury or damage to property, the victim may claim compensation from the manufacturer or the seller of the product.

Regulations on Consumers Protection

According to the Consumers Rights and Interests Protection Law of the PRC (《中華人民共和國消費者權益保護法》), which was last amended on October 25, 2013, business operators should guarantee that the products and services they provide satisfy the requirements for personal or property safety, and provide consumers with authentic information about the quality, function, usage and term of validity of the products or services. Where business operators have discovered any defect in the goods or services they provided, which may endanger personal or property safety, they shall forthwith report to relevant administrative authorities and notify consumers, and adopt measures such as suspension of selling, alerts, recalls, decontamination, destruction, and suspension of manufacturing or services. Violations of the Consumers Rights and Interests Protection Law may result in a warning, the confiscation of illegal income, and the imposition of fines. In addition, the relevant business operator will be ordered to suspend its operations, have its business license revoked, and have criminal liability incurred in serious cases.

Regulations on Import and Export of Goods

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC and last amended on December 27, 2025, and the Regulations on the Administration of Import and Export of Goods of the PRC (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council and last amended on March 10, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The Customs Law of the PRC (《中華人民共和國海關法》) promulgated and last amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file for record with relevant customs authority before going through any customs declaration procedures. Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC, effective from January 1, 2022, gives further detailed requirement on the documents needed for the filing and the requirement on reporting certain changes of the filed information to the relevant customs authority.

Regulations on Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》) (Production Safety Law), promulgated by the SCNPC and last amended on June 10, 2021, applies to all entities engaging in production and business activities in the PRC. Such entities shall, according to the Production Safety Law, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety, increase investment in funds, materials, technologies and staff for work safety, improve working conditions, strengthen the development of a standardized and information technology enabled work safety system, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism so as to ensure work safety. Violations of the Production Safety Law may result in administrative penalties such as fine, suspension of operation and revocation of license.

Regulations on Fire Prevention

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) issued by the SCNPC and last amended on April 29, 2021, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the Ministry of Housing and Urban-Rural Development and last amended on August 21, 2023, special construction projects as defined under these provisions shall conduct fire protection design review and fire protection acceptance inspection, construction projects other than such special construction projects shall file protection acceptance of the project with competent authority.

Regulations on Environmental Protection

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC and last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment of the PRC (MEE) is authorized to issue national standards for environmental quality and discharge of pollutants, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environment protection authorities may formulate local standards for discharge of pollutants which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on December 29, 2018, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council and last amended on July 16, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former Ministry of Environmental Protection on November 20, 2017. Prior to the commencement of a construction project, the construction entity must submit an environmental impact report, an environmental impact statement for approval, or an environmental impact registration form for record-filing, as required by the competent environmental protection administrative department under the State Council. Furthermore, upon completion of a construction project for which an environmental impact report or statement has been prepared, the construction entity must conduct an acceptance inspection of the supporting environmental protection facilities in accordance with the standards and procedures prescribed by the competent environmental protection administrative department under the State Council, and prepare an acceptance report. Facilities that have not undergone or failed the acceptance inspection are prohibited from being put into production or use.

Pollutant Discharge

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the MEE and effective on July 1, 2024 and Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective on March 1, 2021. Enterprises, public institutions and other producers and business operators that are included in the category-based administration catalog of pollutant discharge licensing for stationary pollution sources issued by the MEE are required to apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Guidelines for Registration of Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》) promulgated by the General Office of the MEE on January 6, 2020, where the amount of pollutants produced, discharged and the impact on the environment is slight, such enterprises do not need to apply for the pollutant discharge permit, but are required to register for the discharge of pollution of stationary sources.

Urban Drainage

According to the Regulation on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated by the State Council and effective from January 1, 2014, and the Administrative Measures on Licensing of Urban Sewage Discharging into Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development and last amended on December 1, 2022, enterprises, institutions and individual industrial and commercial households engaging in industry, construction, catering industry, medical industry and discharging sewage into the urban drainage network must apply for and obtain a license for urban drainage.

Air Pollution

According to the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》) last amended and implemented on 26 October 2018. When building projects that have an impact on atmospheric environment, enterprises, public institutions, and other business entities shall conduct environmental impact assessments and publish the environmental impact assessment documents according to the law; when discharging pollutants to the atmosphere, they shall conform to the atmospheric pollutant discharge standards and abide by the total quantity control requirements for the discharge of key atmospheric pollutants.

Regulations on Real Estate

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (Civil Code), the establishment, modification, assignment and extinguishment of real estate property rights are effective upon registration in accordance with the law; unless the law stipulates otherwise, such establishment, modification, assignment and extinguishment shall be ineffective without registration. Real estate registration shall be handled by the registration authority at the location of the property in accordance with the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council and last amended on March 10, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Land and last amended on May 9, 2024.

Regulations on House Leasing

Pursuant to the Civil Code, subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. In addition, according to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC and came into effect on February 1, 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration with the construction (real estate) administrative department of the people's government of a municipality directly under the central government of the PRC, city or county where the house leased is located. If individuals or entities are in violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people's government of a municipality directly under the central government, city or county. If any entity fails to do so, a fine of more than RMB1,000 but less than RMB10,000 will be imposed.

Regulations on Intellectual Property

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC and last amended on October 17, 2020, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council and last amended on December 11, 2023, patents in the PRC are categorized into invention patents, utility model patents and design patents. Commencing from the date of application, the duration of patent rights for invention patents, utility model patents, and design patents are twenty years, ten years and fifteen years, respectively. No person may misappropriate the patent without permission or authorization of the patentee.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC and last amended on April 23, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council and last amended on April 29, 2014, trademarks approved by and registered with the Trademark Office are registered trademarks, including good marks, service marks, collective marks and certification marks. The valid period of a registered trademark is ten years, commencing from the date of the registration. For continuous use of the registered trademark, the trademark registrant is required to apply for renewal within twelve months before the expiry date.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020, works of PRC citizens, legal persons or unincorporated organization, which refer to intellectual achievements in the fields of literature, art, and science that are original and can be expressed in a certain form, whether published or not, enjoy copyrights.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration and the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on 30 January 2013 and effective on 1 March 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) and the Regulation on Computers Software Protection (《計算機軟件保護條例》).

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT and took effect on November 1, 2017, and the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT and took effect on January 1, 2018, the MIIT supervises and manages the domain name services nationwide. The domain name used by an internet information service provider in providing internet information services must be registered and owned by such provider in accordance with the laws and regulations.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (Revised in 2019) (《中華人民共和國反不正當競爭法》(2019修正)) (Anti-Unfair Competition Law), promulgated by SCNPC and recently amended on June 27, 2025, the term "trade secrets" refers to technical information, business information, and other commercial information that is not known to the public, has commercial value, and for which the right holder has taken corresponding confidentiality measures. Under the Anti-Unfair Competition Law, business persons are prohibited from infringing others' trade secrets by: (1) acquiring the right holder's trade secrets by theft, bribery, fraud, coercion, electronic intrusion, or other improper means; (2) disclosing, using, or allowing others to use the right holder's trade secrets acquired by the means specified in the preceding item; (3) disclosing, using, or allowing others to use trade secrets in their possession in violation of confidentiality obligations or the right holder's requirements for keeping trade secrets confidential; or (4) instigating, inducing, or assisting others to violate confidentiality obligations or the right holder's requirements for keeping trade secrets confidential, so as to acquire, disclose, use, or allow others to use the right holder's trade secrets. Where any party infringes upon trade secrets of the right holder, regulatory authorities may order the cessation of any illegal activities, confiscate the illegal gains and impose fine on the infringing party.

Regulations on Labor and Social Welfare

Labor

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC and last amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC and last amended on December 28, 2012, and the Regulations on the Implementation of the Labor Contract Law (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on September 18, 2008, labor relationship between employers and employees must be executed in written form. Where a labor relationship has already been established but no formal contract has been made, a written labor contract shall be entered into within one month from the date when the employee begins to work.

On July 31, 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (ll) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (New Judicial Interpretation), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay 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 PRC Labor Contract Law, the People's Court shall support such claims in accordance with the law.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated by the SCNPC and amended on December 29, 2018, and the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was promulgated by the State Council and amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council and was last amended on March 24, 2019, employers in Chinese Mainland shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing provident fund. Employers who fail to contribute to the above social insurance and housing provident funds may be subject to a fine and ordered to make full payment within a prescribed time period. If employers fails to make the payment towards the social insurance and housing provident funds within a prescribed time limit, an application may be made to a people's court for enforcement.

Regulations on Taxation

Enterprise Income Tax

The NPC promulgated the EIT Law, which was last amended on December 29, 2018. The State Council enacted the Regulations for the Implementation 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》), which was last amended on December 6, 2024. Under the EIT Law and its implementation regulations, both resident enterprises and non-resident enterprises are subject to tax in China. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within China. Under the EIT Law and relevant implementing regulations, resident enterprises are subject to a uniform corporate income tax rate of 25%. According to the EIT Law, the EIT tax rate of a high and new technology enterprise is 15%.

Value-added Tax

Pursuant to the Implementing 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》) promulgated by the MOF on December 25, 1993, latest amended on October 28, 2011 and became effective on November 1, 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, the sale of services, intangible assets or immovable properties and the importation of goods within the territory of the PRC must pay value-added tax (VAT).

Pursuant to the Value-Added Tax Law of the PRC (《中華人 民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024, enterprises and individuals engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC shall pay value-added tax. According to the VAT Law, the VAT rates applicable to ordinary taxpayers are 13%, 9%, 6% and 0% and the VAT rate to which the simple tax computation method applies is 3%.

Regulations on Foreign Exchange

According to the Foreign Exchange Administration Rules of the PRC (《中華人民共和國外匯管理條例》) which were promulgated by the State Council and last amended on August 5, 2008, the current account incomes of foreign exchanges can be retained or sold to financial authorities which manage exchange settlement and sale and purchase of foreign exchange. However, approval from the SAFE or its local branches is required for the relevant capital account transactions of the foreign invested enterprises, such as the capital increase and decrease. In addition, foreign exchange transactions involving direct investment, loans and investment in securities outside the PRC are subject to limitations and require approvals from the SAFE.

According to the Notice of the State Administration of Foreign Exchange on Relevant Issues of Foreign Exchange Control 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 on December 26, 2014, the SAFE and its branch offices and foreign exchange administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, accounts opening and use, cross-border payments and receipts, and exchange of funds involved in overseas listing. Domestic companies shall, within 15 working days upon the end of their public offering overseas, handle overseas listing registration with the foreign exchange authority at their place of registration with relevant materials.

According to the Circular of SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated and effective on April 10, 2020. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

Regulations on Overseas Listing

According to the Securities Law of PRC (《中華人民共和國證券法》), which was last amended by the SCNPC on December 28, 2019, a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council. For subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner.

On February 17, 2023, the CSRC issued the Trial Administrative Measures for 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》), and five supporting guidelines, which became effective on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, companies in Chinese Mainland that directly or indirectly offer or list their securities in an overseas market, including a company in Chinese Mainland limited by shares and an offshore company whose main business operations are in Chinese Mainland and intends to offer shares or be listed in an overseas market based on its equities, assets or similar interests in Chinese Mainland are required to file with the CSRC within three business days after submitting their listing application documents to the regulator in the place of intended listing.

On February 24, 2023, the CSRC, together with other relevant government authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the 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》) (Confidentiality and Archives Provisions), which took effect on March 31, 2023. Pursuant to the Confidentiality and Archives Provisions, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

INDIAN REGULATORY FRAMEWORK

Regulations Pertaining to Foreign Investment

Exchange Control Regulations

Foreign direct investment in India by non-resident entities is governed by the (i) Consolidated Foreign Direct Investment Policy (FDI Policy), issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (DPIIT), from time to time, (ii) Foreign Exchange Management Act, 1999, and (iii) regulations/notifications/directions including Master Directions/press notes issued by the Central Government and the Reserve Bank of

India (RBI). The aforesaid regulatory framework, inter alia, demarcates sectors into those requiring, and those no requiring, prior approvals for foreign direct investment. The business of the Company in India falls within the automatic sector generally.

Foreign Exchange Management (Non-Debt Instruments) Rules, 2019

Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (NDI Rules), as notified under the Foreign Exchange Management Act, 1999 (42 of 1999), regulate foreign investments involving non-debt instruments, which includes investment, ownership and transfer of equity investments, by a person resident outside Indian into Indian entities. The Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, regulates the mode of payment and reporting requirements for investments in India by a person resident outside India.

Press Note 3 of 2020 Series

Press Notes are periodic releases by DPIIT which provide changes with respect to the FDI Policy. The Government of India changed the FDI Policy by Press Note 3 of 2020 (PN 3) dated April 17, 2020. The contents of the PN 3 now form part of the extant FDI Policy and have also been incorporated in the NDI Rules. By virtue of the aforesaid amendment effected by PN 3, (i) all investments by entities incorporated in a "*country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country*" (Restricted Investor) will require prior approval of the Government of India; and (ii) in the event of any transfer of ownership of any existing or future foreign direct investment (FDI) in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview of (i) above, such change in beneficial ownership will also require prior government approval. The countries which share a land border with India are Afghanistan, Bangladesh, Bhutan, China, Myanmar, Nepal and Pakistan (**LBC**). Investors from Hong Kong have also in the past, sought government approval as an LBC. PN 3 does not provide any minimum thresholds beyond which investment/beneficial ownership by such entities/individuals will require prior government approval.

Press Note 2 of 2026 Series

The government of India on 15 March 2026 via Press Note No. 2 (2026 Series) (**PN2**) has amended the FDI Policy and provided that the expression 'beneficial owner' of an investment into India shall mean the 'beneficial owner' of the investor entity that does not share land border with India with reference to the Prevention of Money Laundering Act, 2002 and determined as per criteria stipulated under the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (**PML Rules**).

PN2 provides criteria for determining beneficial ownership to be construed as vested in an LBC and arises where citizens or entities of an LBC have the ability to, directly or indirectly, individually or cumulatively, independently or collectively, hold rights or entitlements: in excess of the applicable thresholds prescribed under Rule 9(3) of the PML Rules ("*Controlling ownership interest" means ownership of or entitlement to more than 10% of shares or capital or profits of the company*) over the investor entity which is incorporated or registered in a country other than a country sharing land border with India; which enable such citizen(s) and/or entity(ies) to exercise control over the investor entity referred above; or which enable such citizen(s) and/or entity(ies) to exercise ultimate effective control over the investee entity in any manner.

Any transfer of ownership of any existing or future FDI in an entity in India can be made under automatic route (not requiring prior government approval) if it does not result in beneficial ownership falling outside the thresholds mentioned under PML Rules that is presently 10% and non-controlling.

PN2 further provides that investments into India from an investor entity having any direct or indirect ownership by a citizen or entity of an LBC, and not requiring prior Government approval, shall be subject to a reporting requirement in the format prescribed under a Standard Operating Procedure (**SOP**) dated May 4, 2026 issued by the Department for Promotion of Industry and Internal Trade (**DPIIT**). This reporting obligation is in addition to compliance with applicable sectoral caps, entry routes, and attendant conditions.

Regulations Pertaining to Sale of Goods

The Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (SAG Act) provides the law to regulate the sale of all kind of movable property excluding money and actionable claims (goods), within India. The SAG Act, inter alia, regulates transfer of ownership of the goods, money consideration, mode of delivery, rights and duties of the buyers and sellers as well as remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. Further, the contracts for sale of goods are subject to the general principles of the law relating to contracts, that is, the Indian Contract Act, 1872.

Indian Contract Act, 1872

The Indian Contract Act, 1872 (ICA) governs the conditions for validity of contracts formed through electronic means; communication and acceptance of proposals; competency of people to contract, additionally, revocation, and contract formation between consumers, sellers, and intermediaries. The terms of service, privacy policy, and return policies of any online platform are legally binding agreements and often governed by provisions of the ICA.

The Consumer Protection Act, 2019

The Consumer Protection Act, 2019 (CPA) is a consumer centric law protecting rights and interest of consumers. A consumer is any person who buys goods or avails services for consideration (paid or promised) for personal use, not for resale or commercial purposes. CPA provides for mechanism to consumers to seek compensation for any harm/grievance caused due to defective product manufactured/sold or services provided to a consumer, including setting up simplified resolution mechanisms to enforce such consumer rights. CPA has extended the definition of a 'consumer' to include purchase of goods or services through an offline and online transaction and provides a mechanism for a consumer to file a complaint against a service provider in cases, *inter alia,* of unfair trade practices, restrictive trade practices, deficiency in services, and price charged being unlawful. CPA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties. CPA has also brought e-commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online market-places and online auction sites.

The Ministry of Consumer Affairs, Food and Public Distribution issued the Consumer Protection (E-Commerce) Rules, 2020 (E-Commerce Rules) under the CPA on July 23, 2020 which govern the online sale of goods, services, and digital products, by entities (a) which own, operate or manage digital or electronic facility or platform for electronic commerce (E-Commerce Entities), (b) which undertake e-commerce under various models including marketplace or inventory model, or (c) which are e-commerce sellers. The E-Commerce Rules lay down the duties and liabilities of E-Commerce Entities and e-commerce sellers.

Regulations Pertaining to Manufacturing of Electronics and Appliances (Applicable to SMIPL and STIPL):

Bureau of Indian Standards Act, 2016 (BIS Act)

The BIS Act provides for the establishment of the Bureau of Indian Standards (BIS) for the development of activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act provides for the functions of the bureau such as (a) adopting as Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specifying a standard mark to be called the BIS Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) making such inspection and taking such samples of any material or substance as may be necessary to see whether any goods, article, process, system or service in relation to which the standard mark has been used conforms to the relevant standard or whether the standard mark has been properly used in relation to any goods, article, process, system or service with or without a license. The BIS Act sets out, liability for use of standard mark on products that do not conform to the relevant Indian Standard. The contravention of BIS Act attracts penalties, that include fines and/or imprisonment, depending on the offence committed.

Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 read with Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2021 (CR Order)

The CR Order, notified by the Ministry of Electronics & Information Technology, applies to certain categories of electronic items including inter alia, mobile phones, adapters for household and similar electrical appliance and power adapters for IT equipment, audio, video and similar electronic apparatus. As per the CR Order, no person shall manufacture or store for sale, import, sell or distribute goods which do not conform to the Indian standard specified in the order. Manufacturers of these products are required to apply for registration from BIS after getting their product tested from BIS recognized labs. Further, specified goods or articles are required to conform to the corresponding Indian Standard specified in the CR Order and shall bear the 'Standard Mark' under a license from the BIS. The only exception is for those goods that are meant for export and conform to the specification required by the foreign buyer, and to goods or articles for which the Central Government has issued specific exemption. BIS registration number is granted initially for two years renewed for subsequent periods of two years each.

Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2023 (SES Regulations)

The SES Regulations are applicable to electrical installation including electrical plant and electric line, and the person engaged in the generation or transmission or distribution or trading or supply or use of electricity. It lays down regulations for safety requirements for electric supply lines and apparatus (including all machines, fittings, accessories and appliances in which conductors are used). It requires all material and apparatus used in the construction, installation, protection, operation and maintenance of electric supply lines and apparatus to conform to the relevant standards including National Electrical Code and National Building Code or international standards where Indian standards are not available. These include requiring all electric supply lines and apparatus to: (a) have sufficient rating for power, insulation, and estimated fault current and be of sufficient mechanical strength for the duty cycle which they may be required to perform under the environmental conditions of installation; and (b) be constructed, installed, protected, worked and maintained in such a manner as to ensure safety of human beings, animal and property.

The Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003 (QC Order)

The QC Order issued by the Central Government sets out directions and specified standards for the manufacture, storage for sale, sale and distribution of electrical wires, cables, appliances, protection devices and accessories. It prohibits those products which do not conform to standards specified and those which do not bear the standard mark issued by the BIS. Further, it directs that the manufacturing of such electrical equipment can be commenced only after obtaining a license from the BIS for the use of standard mark.

National Policy on Electronics, 2019 (NPE, 2019)

The NPE 2019 replaces the National Policy of Electronics, 2012 and will lead to the formulation of several schemes, initiatives, projects, in consultation with the concerned Ministries/Departments, for the development of Electronics System Design and Manufacturing sector in the country. The NPE 2019 policy framework provides for multiple incentive schemes which have direct impact on capital expenditure, export orientation, supply chain localisation, employment generation, and overall competitiveness of electronics manufacturers in India. The key incentive schemes under NPE, 2019 that are relevant for Salcomp Manufacturing India Private Limited ("**SMIPL**") as an electronics manufacturer are: Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing, which provides incentive on incremental sales of manufactured goods in India for specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units; Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS), which provides financial incentives on capital expenditure for manufacturing of electronic components and related products; Modified Special Incentive Package Scheme (M-SIPS) notified on July 27, 2012 as part of the National Policy on Electronics, 2012, which provides for financial incentives to offset disability and attract investments in the electronics manufacturing sector. The scheme provides subsidy for capital expenditure for investments in Special Economic Zones (SEZs) and in non-SEZs for 44 certain/verticals of electronic products and components covering electronics manufacturing value chain; Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, which provides financial assistance for setting up electronics manufacturing clusters and related infrastructure; and The NPE, 2019 provides for other fiscal and non-fiscal measures aimed at promoting exports, enhancing manufacturing competitiveness and increasing value addition in India.

The Legal Metrology Act, 2009 (Legal Metrology Act)

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. The Legal Metrology Act mandates that every manufacturer shall maintain all such records and registers as may be prescribed. No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. The Legal Metrology Act prohibits a person to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless such package is in such standard quantities or number and bears thereon such declarations and particulars in such manner as may be prescribed, contravention of which will attract fine and/or imprisonment, and requires that the units of weights and measures must be in accordance with the metric system based on the international system of units. The Legal Metrology (Packaged Commodities) Rules, 2011, which are ancillary to the Legal Metrology Act, provide detailed specifications of standard weights and measures and the standard equipment and prohibit any person from pre-packing or causing to pre-pack any commodity for sale, distribution or delivery unless the package in which the commodity is pre-packed bears thereon, or, a label is securely affixed thereto with, declarations under these rules. The contravention of these rules attracts monetary penalties.

Regulations Pertaining to Data Protection

The Digital Personal Data Protection Act, 2023 (Data Protection Act) and the Digital Personal Data Protection (DPDP) Rules, 2025

The Data Protection Act received the assent of the President of India on August 11, 2023. The Data Protection Act aims to provide for the processing of digital personal data in a manner that recognises both the right of individuals to protect their personal data and the need to process such personal data for lawful purposes. Personal data may be processed only for a lawful purpose after obtaining the consent of the data principal to whom the personal data relates, or for certain legitimate uses. A notice must be given before seeking consent. It further imposes certain obligations on data fiduciaries including (i) ensuring the accuracy, consistency and completeness of personal data processed, (ii) building reasonable security safeguards to prevent a data breach, (iii) informing the Data Protection Board of India (DPB) and affected persons in the event of a breach, and (iv) erasing personal data upon the data principal withdrawing consent or as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). The Digital Personal Data Protection (DPDP) Rules, 2025, operationalised the data protection framework under the Data Protection Act.

The Information Technology Act, 2000 (IT Act) and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (IT Security Rules)

The IT Act aims to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents and creates a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The IT Act recognizes contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect such sensitive personal data. The IT Act prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The Department of Information Technology, (DoIT) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (IT Security Rules). The IT Security Rules enlists directions for the disclosure, collection and transfer of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate or person who on behalf of the body corporate receives, stores or handles information to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. The IT Security Rules define sensitive personal data or information to include passwords, financial information such as bank account, credit card and payment instrument details, medical records and any detail relating to the aforementioned categories as provided to a body corporate for providing services and/or stored or processed by the body corporate under lawful contract or otherwise, however, any information that is freely available or accessible in public domain or furnished under law is not regarded as sensitive personal data or information under these rules. In the alternative, the IT Security Rules are deemed to be complied with if the requirements of the international standard "IS/ISO/IEC 27001" on "Information

Technology — Security Techniques — Information Security Management System — Requirements" are complied with including any codes of best practices for data protection of sensitive personal data or information approved by the Government of India and formulated by any industry association of whose membership such body corporates holds.

Directions issued by the Indian Computer Emergency Response Team, Ministry of Electronics and Information Technology (CERT-In) on April 28, 2022 (CERT-In Directions)

The CERT-In Directions were notified under Section 70B(6) of the IT Act to enhance information security practices, procedures, prevention, response and reporting of cyber incidents for safe and trusted internet requiring specified cyber incidents to be reported to CERT-In within 6 hours of noticing such incidents or of being notified of such incidents. All service providers, intermediaries, data centres, body corporate and Government organisations are required to mandatorily enable logs of all their information and communication technology systems and maintain them securely for a rolling period of 180 days and the same shall be maintained within the Indian jurisdiction. The data centres, virtual private server, cloud service providers are required to register the information as mentioned in the CERT-In Directions. The information required under the CERT-In Directions must be maintained for a period of five years after the cancellation or withdrawal of the registration.

Regulations Pertaining to Employment and Labor

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where establishments are set up and business operations exist, require such establishments to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' laws, and the relevant rules framed thereunder, in each state, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

Employees' State Insurance Act, 1948 (ESI Act)

The ESI Act is a social security legislation to protect employees against financial distress caused by illness, injury, maternity, disability or death resulting from employment in the organized sector. It is applicable to all factories, other than seasonal factories, and establishments employing 10 (ten) or more persons (in some states like Maharashtra, the threshold is 20). All employees, including casual, temporary or contract employees drawing monthly wages less than INR. 21,000 (Rs 25000 for persons with disabilities) are covered under ESI Act. Both employer and employee must deposit as monthly contributions at a predetermined rate of 4% of wages (Employer: 3.25% of wages and Employee: 0.75% of wages) to Employees' State Insurance Corporation. The return of the contribution made is required to be filed with the Employee State Insurance department. The ESI Act provides medical relief, cash benefits, maternity benefits, pension to dependents of deceased workers and compensation for fatal or other injuries and diseases.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act)

The EPF Act aims to ensure financial security for employees after retirement or during emergency by requiring both the employer and employee to contribute a portion of the employee's salary to a provident fund. It applies to all factories and establishments employing 20 (twenty) or more persons. An employee whose basic salary is less than INR 15,000 per month, or who has an existing provident fund membership based on previous employment arrangement is eligible for benefits under the EPF Act. Both employer and employee must deposit monthly contributions at a predetermined rate of wages/salary (12% of wages by each) to Employees' Provident Funds

Corporation. The EPF Act provides pension and provident fund along with interest at retirement and a lump-sum insurance amount on death of employee. Premature withdrawals in certain exigencies like ill-health, repayment of loans, etc. are also allowed.

Payment of Gratuity Act, 1972 (Gratuity Act)

The Gratuity Act provides for the payment of gratuity to employees engaged in factories, shops or other establishments employing 10 (ten) or more persons. Gratuity is a defined benefit plan under which employees who have completed 5 (five) or more years of continuous service are entitled to receive gratuity. Gratuity is payable when an employee leaves the services of the employer due to superannuation, retirement, resignation, death or disablement due to accidents or diseases. The gratuity is calculated at the rate of last drawn salary multiplied by 15 (fifteen) days' salary (based on last drawn salary including dearness allowance) for each completed year of service divided by number of working days in a month, restricted to the maximum of INR. 2 million of tax-free gratuity. However, if an employee has the right to receive higher gratuity under a contract or under an award, then the employee is entitled to get higher gratuity which shall be taxable.

Factories Act, 1948 (Factories Act)

The term 'factory', as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power or is ordinarily so carried on, or any premises wherein 20 or more workmen are working or were working at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power or is ordinarily so carried on. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the 'occupier' of a factory to ensure the health, safety and welfare of all workers in the factory premises.

If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Contract Labor (Regulation and Abolition) Act, 1970 (Contract Labor Act)

The Contract Labor Act regulates working conditions of contract labor. It applies to every establishment or contractor wherein 20 (twenty) or more workmen are employed on any day in the preceding 12 months. The Contract Labor Act requires the principal employer (service recipient) to obtain a registration and the contractor (service/manpower provider) to obtain a license prior to availing/providing service of contract Labors. Under the Contract Labor Act, a principal employer is defined to include (in the case of establishments other than factories, mines, or Government offices/departments) as any person responsible for the supervision and control of establishment. The Contract Labor Act requires the contractor and failing him the principal employer to pay salary and other social security benefits to the contract Labors. The Central Government or the relevant State Government is empowered to frame rules for carrying out the various provisions of the Contract Labor Act.

Other Labour Related Legislations

Other labour related legislations Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the Maternity Benefit Act, 1961, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, the Right of Persons with Disabilities Act, 2016, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Equal Remuneration Act, 1976, the Industrial Employment (Standing Orders) Act, 1946, the Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, the Apprentices Act, 1961, the Tamil Nadu Panchayats Act, 1996, the Trade Unions Act, 1926; and the Industrial Disputes Act, 1947.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely: The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, among other things, standards for health, safety and working conditions for employees of establishments. The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019 pertaining to the central advisory board. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force Section 142 of the Code on Social Security, 2020 which lays down that a person must have a valid Aadhaar in order to avail benefits or services under the code. The Code on Social Security, 2020 proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

On November 21, 2025, vide notifications issued by the Ministry of Labour and Employment, all the four Labour Codes have come into force in entirety, and the 29 central laws that were subsumed by the Codes stand repealed. The Labour Codes require issuance of the rules under each of the Labour Codes by the Central and by the State Governments for their effective implementation. As of the Latest Practicable Date, the Central Government has notified (on May 8, 2026) the final rules in relation to the four Labour Codes viz. Code on Wages (Central) Rules, 2026, Social Security (Central) Rules, 2026, Occupational Safety, Health and Working Conditions (Central) Rules, 2026 and Industrial Relations (Central) Rules, 2026. However, because labour is a concurrent subject, individual States must draft and notify their own state-specific rules to enforce the codes for state-jurisdiction establishments. The State governments are required to finalize these State rules through official Gazette notifications before employers within the state are legally bound to follow them. Not all State Governments have issued the final Rules under each of the Labour Codes.

Regulations Pertaining to Intellectual Property

The Trade Marks Act, 1999 (Trademarks Act)

The Trademarks Act governs the statutory protection of trademarks and prohibits any use of deceptively similar trademarks, among others. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, and heading, and to obtain relief in case of infringement of registered trademarks. Indian law permits the registration of trademarks for both goods and services. An application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, trademark registration is valid for 10 years unless cancelled, subsequent to which it can be renewed. If not renewed, the mark is removed from the register of trademarks, and the registration is required to be restored. Simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks.

The Patents Act 1970 (Patents Act)

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, and patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

The Copyright Act, 1957 and the Copyright Rules, 2013 (Copyright Rules)

The Copyright Laws governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalties on second or subsequent convictions.

Regulations Pertaining to Direct Taxes

Income-tax Act, 1961 (Income-tax Act) and the Income Tax Rules, 1962, as Amended by the Finance Act in Respective Years (set to be Repealed by the Income Tax Act, 2025, with Effect from April 1, 2026)

Under the Income-tax Act, a person resident in India is liable to tax on his global income. A non-resident is liable to tax on income which is received or is deemed to be received in India or which accrues or arises or is deemed to accrue or arise to him in India. There are two tax regimes in India, the regular taxation regime and the concessional tax regime (called the new tax regime now). Under the regular taxation regime, the standard corporate income tax rate is 30% for domestic companies and 35% for foreign companies and branches of foreign companies. Taking into account the maximum applicable surcharge and cess, the highest effective rate is 34.944% for domestic companies and 38.22% for foreign companies.

A 25% rate (plus surcharge, if applicable, and cess) applies for a tax year to domestic companies with total turnover or gross receipts not exceeding INR 4 billion during the specified period (generally the tax year two years prior to the relevant tax year).

Domestic companies that forgo claiming certain specified tax deductions and incentives may elect a concessional taxation regime with a reduced corporate income tax rate of 22% (plus applicable surcharge and cess), subject to certain conditions.

Certain resident manufacturing companies (incorporated on or after 1 March 2016) may elect a 25% rate (plus applicable surcharge and cess) where the company does not claim certain specified tax deductions and incentives. Domestic manufacturing companies incorporated on or after 1 October 2019 that commence manufacturing activities on or before 31 March 2024 may elect a reduced 15% corporate income tax rate (plus applicable surcharge and cess) on income derived from or incidental to manufacturing or production activities, provided certain conditions are fulfilled. Other income is subject to corporate income tax at 22% or 25% (plus applicable surcharge and cess) depending on the relevant tax regime.

A 7% surcharge applies to domestic companies subject to the regular taxation regime with income exceeding INR 10 million and a 12% surcharge applies where income exceeds INR 100 million. For foreign companies, the corresponding rates are 2% and 5%, respectively. A 10% surcharge applies to domestic companies that elect a concessional taxation regime irrespective of the amount of income. An additional combined 4% cess is payable in all cases, comprising a health cess and an education cess.

Minimum alternate tax (MAT) is imposed at a rate of 15% (plus surcharge, if applicable, and cess) on the adjusted book profits of companies whose tax liability is less than 15% of their book profits. Credit is available for MAT paid against tax payable on normal income, which may be carried forward for up to 15 years to offset corporate income tax payable. MAT does not apply to certain income of foreign companies, including capital gains on transactions involving securities, interest, royalties, and fees for technical services.

In computation of the income of a non-resident, the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the non-resident are required also examined, since the Income-tax Act provides that its provisions shall be applicable only insofar as they are more beneficial to the taxpayer. The only exception where beneficial provisions of DTAA are not available to a non-resident is in case of applicability of General Anti Avoidance Rules. Besides the taxpayer is required to comply with the Indian transfer pricing provisions for specified related party transactions. India has been an active member of the Base Erosion and Profit Shifting (BEPS) initiative of the Organization for Economic Cooperation and Development (OECD) and is part of the consensus. Thus, the Income-tax Act and India's bilateral DTAA's gets amended from time to time to align the modifications in line with BEPS Action Plans which applies to members of a Multinational Enterprise (MNE) group.

State-wise legislations in Relation to Professional Tax

Professional tax is a State levy on professions, trades, calling or employment in a State. Not all the State Governments levy professional tax currently. In States where such a levy exists, every enterprise with employees earning salaries is ordinarily required to register itself and withhold professional tax from the salary paid to its employees at specified rates and deposit the same with the Government treasury. The employer is also liable to pay the professional tax on such salaries or wages, irrespective of whether it has deducted or not an equivalent amount from the salaries paid.

Indian Stamp Act, 1899 and Various State Specific Legislations Made Thereunder

Under the Indian Stamp Act, 1899 (Stamp Act) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title, or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

Regulations Pertaining to Indirect Taxes and Special Economic Zone

Goods and Services Tax

Goods and Services Tax (GST) is comprehensive indirect tax levied jointly by the Central and State Governments on supply of goods or services or both. GST Laws include: (a) Central Goods and Services Tax Act, 2017 (b) State Goods and Services Tax Act, 2017 as notified by respective States, (c) Union Territory Goods and Services Tax Act, 2017, (d) Integrated Goods and Services Tax Act, 2017, (e) Goods and Services Tax (Compensation to States) Act, 2017 and various rules, notifications, circulars and amendments made in relation thereto.

Customs and Import-export

Duties of Customs, including Basic Customs Duty, Safeguard Duty, Anti-Dumping Duty, as per tariffs applicable in relation to specific goods are levied by the Central Government on import of goods into India in terms of the following laws: (a) Customs Tariff Act, 1975, (b) Customs Act, 1962 and various rules, notifications, circulars and amendments made in relation thereto. Also applicable are procedures in relation to import and export of goods, including (a) licensing requirement; (b) product specific prohibitions, restrictions and special procedures; and (c) export benefits are governed under Foreign Trade Development and Regulation Act, 1992 (FTA) and the foreign trade policy — the latest being the (Indian) Foreign Trade Policy, 2023 as amended.

The FTA read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (IEC) number granted by the Director General of Foreign Trade. Unless exempted, IEC is required by every entity in India engaged in any activity involving import/export. An allotted IEC number is valid for the applicant's all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Indian Stamp Act, 1899 and Various State Specific Legislations Made Thereunder

Under the Indian Stamp Act, 1899 (Stamp Act) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title, or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. Stamp Act provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

Special Economic Zones

Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 along with notifications, circulars and instructions govern the framework for licensing and operations of special economic zone units (SEZ units). SEZ units are manufacturing or service units set up in notified special economic zones allowing duty free import of raw materials, capital goods for the purpose of export of goods and services. SEZ units are exempt from excise duty, service tax and CST on inter-SEZ trade. 100% FDI is permitted under automatic route. There is exemption from certain labour laws to enhance operational efficiency. All approvals required for setting up and operating SEZ are streamlined. Units operating in SEZ must export 100% (mostly) of their production or services. All the SEZ Units are to be net foreign exchange positive.

(i) Incentives applicable to SEZ Units (SMIPL and STIPL has units in SEZ)

The main incentives available *inter-alia* to SEZ units are: Duty-free import or domestic procurement of goods for authorised operations; Single-window clearance mechanism for central and state approvals; Zero-rated treatment of supplies to SEZ units under the Integrated Goods and Services Tax Act, 2017; 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income-tax Act, 1961 remains available to eligible SEZ units that commenced operations on or before 01 April 2021, subject to satisfaction of statutory conditions (100% deduction for first five years, 50% for next five years, and 50% of reinvested export profits for the subsequent five years). State-level incentives, wherever applicable.

(ii) Incentives applicable to SEZ Developers

The main incentives historically available to SEZ developers are: Exemption from customs duties for authorized development operations; Exemption under Section 80-IAB of the Income-tax Act, 1961 for eligible developers notified prior to the prescribed sunset date (01 April 2017), for any 10 consecutive years out of 15 years.

Manufacturing Units under SEZ

Salcomp Manufacturing India Private Limited, a subsidiary of the Company, has 1 manufacturing unit and Salcomp Technologies India Private Limited, a subsidiary of the Company, has 2 manufacturing units, set up in a notified special economic zone under the Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006.

Regulations Pertaining to Environmental Laws

Environment Protection Act, 1986 (EP Act) and the Environment Protection Rules, 1986 (EP Rules) read with the Environmental Impact Assessment Notification, 2006 (EIA Notification)

The EP Act has been enacted with the objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent, control and abate environmental pollution. The Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation, or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations, or processes, prohibitions and restrictions on the location of industries as well as prohibitions and restrictions on the handling of hazardous substances in different areas for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution. Under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the spatial extent of potential impacts and potential impact on human health and natural and man-made resources.

Water (Prevention and Control of Pollution) Act, 1974 (Water Act)

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, and the establishment of the Central Pollution Control Board, as well as state pollution control boards (State PCB), to implement its provisions, including to lay down standards of treatment of sewage and trade effluents. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to establishing any industry, operation or process, or opening of any new outlets, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Air (Prevention and Control of Pollution) Act, 1981 (Air Act)

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the relevant state pollution control board declare, by notification in the Official Gazette, any area or areas within the state as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. Further, no person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (Hazardous Waste Rules)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, "hazardous waste", among others, means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter, or operator of a disposal facility is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and shall be liable to pay any financial penalty that may be levied by the respective state pollution control board for violation of the Hazardous Waste Rules.

In addition to the above-mentioned environmental laws, following is an indicative list of the environmental laws which may be applicable to our Company due to the nature of the business activities are, Plastic Waste Management Rules, 2016 and E-Waste (Management) Rules, 2022 as amended,

FINNISH REGULATORY FRAMEWORK

Introduction

According to the Articles of Association of Salcomp Plc, the company, either directly or through subsidiaries or other associated companies, engages in product development, manufacturing and marketing of electronic devices and related activities. The company is also active in the development and manufacture of chargers for mobile phones and electronic appliances, wholesale and retail of automotive parts, wholesale and retail of electronic components, general trading of own products, general goods trade intermediation, import and export, as well as business management consultancy and market research services. The company can own and administer domestic and foreign real estate and securities and other financial instruments and do related trading.

The most relevant laws and regulations applicable for the operation of Salcomp Plc include the Finnish Limited Liability Companies Act and Finnish labour laws. In addition, Salcomp Plc's field of business is subject to the Finnish Electrical Safety Act (1135/2016), which is further described below. Salcomp Plc has confirmed that they do not have any manufacturing in Finland or use substances that are harmful to the environment or health in its operations, and that no environmental or other permits are required for the conduct of its business. Therefore, no environment-specific legislations are applicable for the operation of Salcomp Plc.

Finnish Limited Liability Companies Act (624/2006, as amended)

The Finnish Limited Liability Companies Act is generally applicable to all limited liability companies incorporated in Finland, both private and public. The Finnish Limited Liability Companies Act regulates, among others, the shares and the corporate governance of Salcomp Plc.

Limited Liability

According to the Finnish Limited Liability Companies Act, a limited liability company is a legal person distinct from its shareholders, and shareholders have no personal liability for the debts or obligations of the company. This also applies to situations in which the shareholder is another limited liability company. Not even a general meeting of shareholders can pass a resolution causing the shareholders to become liable for the debts or obligations of the company. It shall, however, be noted that there are other fields of law that include specific provisions permitting derogations from the standard grounds of liability. For example, under the Finnish Act on Tax Assessment Procedure (1558/1995, as amended), the Finnish Bankruptcy Act (120/2004, as amended) and the Finnish Enforcement Code (705/2007, as amended), a limited liability company may, inter alia, be considered an artificially arranged legal form of entity which does not correspond to the actual nature or purpose of the matter. This being the case, the entity of a limited liability company may be disregarded and liability for tax or debt channelled to the shareholders.

Further, the Finnish Supreme Court has noted that the corporate veil can be pierced in exceptional situations. Piercing the veil may be appropriate in case the limited liability company form is misused to the detriment of creditors and other third parties and the company does not operate independently but is controlled and used by its shareholder to conduct the business of its owner. Regardless of aforementioned, the Supreme Court has emphasised the central and main rule. The main feature of a limited liability company is that shareholders are liable for the obligations of the company only by the capital they have invested in the company.

Duties of Board of Directors

Our Board sees to the administration of the company and the appropriate organisation of its operations. Our Board shall be responsible for the appropriate arrangement of the control of the company accounts and finances. Further, the Board has power of decision in all matters that are extensive in view of the scope and nature of the activities of the company and may also decide commercial and administrative matters of lesser significance as needed. Business decisions should be taken with due care and only after proper consideration on an informed basis, free from any self-interest or self-dealing, in good faith that the decision promotes the best interest of the company. The Board is not to confer undue benefit to a shareholder or another person at the expense of the company or another shareholder.

The liability rules for Board business decisions is based on the Anglo-Saxon business judgement rule. As long as the Board has sought sufficient and relevant information, based its decision on such information in a sensible manner free of personal gain and conflicts the Board members are not liable for business decisions that in hindsight turn out to be unsuccessful.

Should the company become unable to meet its present or future payment obligations and no good faith negotiations with the (major) creditors being ongoing, the company should file for bankruptcy or restructuring in order to avoid personal liability of the Board members.

The Shareholders' Register

Our Board of each limited liability company is responsible for maintaining an up-to-date register of the issued and outstanding shares and their shareholders (the shareholders' register). The shareholders' register shall include (i) name and address of each shareholder, (ii) number of shares or share certificates (per share class) held by each shareholder, and the date of issue of the respective shares. Furthermore, if no share certificates have been issued for shares, the shareholders' register shall include information on any pledge of the shares or other similar encumbrances. The shareholders' register shall be duly kept in a reliable manner and shall promptly be updated upon any changes.

Share Certificates

Our Board may issue share certificates for the company's shares, if the company's shares are not included in the book-entry system. A share certificate can only be given to a shareholder duly registered in the shareholders' register. The share certificate shall include (i) the company's name and business identification code, (ii) the share numbers or the total number of shares and the serial number of the share certificate, (iii) the share class, in case the company may at the time of issue of the share certificate have several share classes, and (iv) a mention of the liability to make specific payments to the company, on the conversion, redemption or consent clauses, and on acquisition and redemption term, if provisions on any of the same have been included in the company's Articles of Association.

Each shareholder has a right to require to be issued share certificates for such shareholder's respective shares when the shares have been duly registered with the Finnish Trade Register. All shares must be registered with the Finnish Trade Register without undue delay after the subscription price have been duly paid and all other subscription terms have been fulfilled.

Labour laws

The material labour laws applicable for Salcomp Plc are, among others, the Finnish Employment Contracts Act (55/2001), the Finnish Working Hours Act (872/2019), and the Finnish Co-operation Act (1333/2021).

Employers are required to comply with Finnish labour legislation, including applicable collective bargaining agreements where relevant. Employer who does not comply with the labour legislation shall be generally at least liable for the loss caused to the employee. The Finnish Occupational Safety and Health Authority supervises compliance with employment legislation and may impose administrative sanctions for violations. Furthermore, penalties may be imposed for breaching certain employer's obligations under the Finnish Criminal Code (39/1889).

Finnish Employment Contracts Act (55/2001, as amended)

The Finnish Employment Contracts Act applies to employment contracts. Its provisions, which are generally of mandatory nature, provide minimum protection for employees. Any employment agreements reducing the rights of and benefits of employees under the Act shall be null and void unless otherwise provided in the Act.

Termination of Employment Contract

Employment contracts can only be terminated due to proper and weighty grounds related to the employee as an individual (for example serious breach or neglect of obligations) or to the substantial and permanent diminishment of work due to financial and production related reasons. However, if the grounds relate to the employee as an individual, the employee shall be primarily given a warning and a chance to amend their conduct prior to a termination notice.

Unless otherwise agreed (or regulated in the applicable collective agreement), the notice period to be observed by the employer ranges between 14 days to six months depending on the duration of the employment. Unless otherwise agreed, the notice period observed by the employee is 14 days if the employment has continued for no more than five years and one month if continued for over five years.

The compensation for unlawful terminations of employments generally varies between the salary payable for 3 to 24 months. The average compensation level in Finland is approximately the salary payable for 8 to 12 months. In addition, the salary for the applicable notice period as well as any accrued but untaken holidays shall be paid to the employee.

Non-Competition and Non-Solicitation

Non-competition agreements may only be made for a particularly weighty reason related to the operations of the employer in the employment relationship. When assessing the grounds for a non-competition agreement, consideration shall also be given to the nature of the employer's operations and any need for protection related to keeping a trade secret or to special training given to the employee by the employer, and the employee's status and duties and other similar circumstances.

As a general rule, the non-competition period may be agreed for a maximum of one year from the end of the employment relationship. If the non-competition period is agreed to be a maximum of six months, the employer must pay the employee compensation for the restriction period corresponding to 40 per cent of the employee's salary. If a restriction period of more than six months has been agreed, the employer must pay compensation corresponding to 60 per cent of the employee's salary.

Non-solicitation obligations are not regulated in the Finnish Employment Contracts Act. In practice, non-solicitation clauses are typically agreed within a similar framework to non-competition clauses. In certain circumstances, non-solicitation obligations may be equated with non-competition obligations, including with respect to the employer's compensation obligation.

Confidentiality Obligation

The Finnish Employment Contracts Act contains a clause prohibiting the employee from unlawfully utilising the employer's trade secrets or divulging such information to a third party. If the employee has obtained such information unlawfully, the prohibition will also continue after termination of the employment relationship. The protection of confidential information may be more extensively covered with a more comprehensive confidentiality clause.

Intellectual Property

Even though under the Finnish law, copyright to a computer programme belongs to the employer and the rights to a patentable invention can be transferred to the employer by law, the ownership of intellectual property rights could be more comprehensively secured when it is agreed on in the employment agreement.

Finnish Working Hours Act (872/2019, as Amended)

The regular working hours are 8 hours a day or 40 hours a week. However, the working time may be organised in such a way that it averages 40 hours over a period of no more than 52 weeks without exceeding the regular daily working time of eight hours. Collective bargaining agreements may contain derogating provisions. Any working time exceeding the aforementioned regular working times is considered usually overtime, which must be paid separately by increased salary or corresponding free time.

Finnish Co-operation Act (1333/2021, as Amended)

The Act shall apply if the company normally employs at least 50 persons. It promotes a workplace culture of co-operation between employer and personnel, with each party respecting the rights and obligations and taking into account the interests of the other. Its purpose is also to ensure continuous development of the undertaking's operations and the workplace community, and to improve efficiency and well-being at work. Furthermore, it aims to ensure the sufficient and timely flow of information between employer and personnel and to safeguard the personnel's possibility to influence decisions made by the undertaking relating to their work, working conditions or position in the undertaking. The purpose is also to enhance co-operation between the employer, personnel and employment authorities to improve the position of the employees as well as support their employment in the event of changes in the operations of the undertaking. It also sets out the procedure which must be complied when the employer is considering the dismissal, lay-off, reduction to part-time employment or unilateral modification of an essential term in the employment contract of one or more employees for financial or production-related grounds.

Finnish Electrical Safety Act (1135/2016, as Amended)

Salcomp Plc operates in the business of developing and manufacturing power supplies for mobile and other electronic devices, and this field of business is subject to the Finnish Electrical Safety Act. The Electrical Safety Act implements the Directive 2014/30/EU of the European Parliament and of the Council on the harmonisation of the laws of the Member States relating to electromagnetic compatibility (recast) (the EMC Directive), and the Directive 2014/35/EU of the European Parliament and of the Council on the harmonisation of the laws of the Member States relating to the making available on the market of electrical equipment designed for use within certain voltage limits (the Low Voltage Directive). The objective of the Act is to ensure the safe use of electrical equipment and electrical installation to prevent the harmful effects of electromagnetic disturbance arising from the use of electricity and to safeguard the rights of those that have suffered harm through the electrical current or magnetic field of the electrical equipment. The Act contains provisions, for example, on the requirements laid down for electrical equipment, supervision of conformity and the liability for damage of the possessor. The Act applies, for example, to electrical equipment used for the transmission of electricity.

General Requirements for Electrical Equipment

The Finnish Electrical Safety Act includes several specific provisions, which come down to the following general requirements: electrical equipment shall be designed, constructed, manufactured and repaired, maintained and used for their intended use so that (i) they do not cause any danger to anybody's life, health or property, (ii) they do not cause unreasonable electrical or electromagnetic disturbance, and (iii) they are not easily disrupted by electrical or electromagnetic disturbance. If an electrical equipment does not fulfil the above-mentioned requirements, it may not be placed on the market. Before placing the electrical equipment on the market, the manufacturer must ensure and be able to demonstrate that the electrical equipment has been designed and manufactured in accordance with the essential safety requirements referred to in the Act. The manufacturer shall subject the electrical equipment to a suitable conformity assessment procedure and draw up the technical documentation to demonstrate that the electrical equipment conforms with the requirements. The manufacturer shall draw up an EU declaration of conformity and affix the CE marking to the electrical equipment after the electrical equipment has been demonstrated to fulfil all applicable requirements. By drawing up the EU declaration of conformity, the manufacturer assumes responsibility for ensuring that the electrical equipment is in accordance with all essential requirements applying to the equipment.

Supervision and Liability

The Finnish Safety and Chemicals Agency (Tukes) acts as the Electrical Safety Authority supervising the compliance with the Finnish Electrical Safety Act. The Electrical Safety Authority has the right to perform inspections for supervising the compliance with the Act. If the electrical equipment or electrical installation does not comply with the provisions laid down in the Act or it is not maintained or used in accordance with the Act, the Electrical Safety Authority may order the possessor of the electrical equipment or electrical installation to correct the inadequacies and negligence within a specified time or prohibit the use of the electrical equipment or electrical installation. The possessor of the electrical equipment causing damage shall, irrespective of possible negligence, be liable for compensation of the damages.

Finnish Product Liability Act (694/1990, as Amended)

The Finnish Product Liability Act applies to the compensation for injury or damage caused by a product to a person or property meant for private use or consumption and primarily used for such purposes by the injured party. In the context of the Act, a product refers to all movables, except for buildings on land owned by others. The provisions also apply to electricity. The Act does not apply to damage caused by a product to the product itself or damage caused by a component to a product, if the component was attached to the product before the product was issued.

Liability for Damage

Pursuant to the Finnish Product Liability Act, compensation shall be paid for an injury or damage sustained or incurred because the product has not been as safe as could have been expected. If an injury or damage is attributable to a defect in a component, the injury or damage shall be considered to have been caused by both the component and the product. The injured party shall prove the injury or damage, the defect in the product as well as the causal relationship between the defect and the injury or damage. The amount of damages is defined by the Finnish Tort Liability Act (412/1974, as amended).

The parties liable for damages under the Act include (i) the manufacturer or producer of the product which has caused the injury or damage, (ii) the party which has imported the product into the European Economic Area with the intention of putting it into circulation there, (iii) the party which has imported the product from a member state of the European Free Trade Association (EFTA country) into the European Community, from the European Community into an EFTA country or from an EFTA country into another EFTA country with the intention of putting it in circulation, and (iv) the party which has marketed the product which has caused the injury or damage as such party's own if the product is labelled with such party's name, trade mark or other distinguishing feature.

Other Applicable Legislations

The Finnish Contracts Act (228/1929, as amended); the Finnish Collective Agreements Act (436/1946, as amended); the Finnish Act on Commercial Property Leases (482/1995, as amended); the Finnish Trade Secrets Act (595/2018, as amended); the Finnish Accounting Act (1336/1997, as amended) and the Finnish Accounting Decree (1339/1997, as amended); the Finnish Auditing Act (1141/2015, as amended) and the Finnish Auditing Decree (1377/2015, as amended).

OVERVIEW

Our history can be traced back to the incorporation of Lingsheng Electronic, a wholly-owned subsidiary of the Company, in the PRC. Ms. Zeng, our Controlling Shareholder, became a controlling shareholder of Lingsheng Electronic in 2011, and subsequently founded Lingyi Technology Group with the establishment of Lingyi Technology in 2012. Through a series of equity transfers, Lingyi Technology became the holding company of Lingyi Technology Group, including Lingsheng Electronic.

Since February 2018, our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 002600.SZ) through the Reverse Acquisition of JPMF. See "— Corporate Development and Major Changes in Share Capital and Shareholdings — (ii) Reverse Acquisition and listing of our Company" for more details. As of the Latest Practicable Date, Ms. Zeng directly and indirectly through Lingsheng Investment controlled 58.13% of the total issued share capital of our Company. See "Directors and Senior Management" and "Relationship with our Controlling Shareholders" for the background of Ms. Zeng and Lingsheng Investment, respectively.

Through years of development, the Group has become a world-leading high-precision intelligent manufacturing platform for electronic devices, delivering one-stop production services and solutions to customers worldwide. Guided by the principles of lean management, digitalization, automation and sustainability, we have built a full-spectrum product portfolio covering high-precision components, modules and system assembly. Our platform powers a broad range of end markets including electronic devices (covering smart electronics, robotics and enterprise servers), automotive and advanced air mobility. We have been named among the Fortune China 500 for eight consecutive years from 2018 to 2025 and have received multiple supply chain excellence awards from global technology leaders. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first globally in the high-precision functional component market for smart electronics, and third globally among high-precision intelligent manufacturing platforms for smart electronics.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following table sets forth certain key corporate and business development milestones of our Group.

Year	Event
2006	• Lingsheng Electronic was incorporated and started die-cutting business
2012	• Our mobile phone die-cutting business ranked No. 1 in the world in the industry by revenue, according to Frost & Sullivan
2018	• Listed on the Shenzhen Stock Exchange through the Reverse Acquisition and acquired the structural components and materials business of JPMF • Established plants in Vietnam
2019	• Acquired Salcomp, started the charger module business, and introduced original design manufacturer (ODM) and specialty assembly capabilities • Acquired LOM India, acquired certain assets of Nokia India Pvt Ltd, and leased land to increase our presence in Indian market • Strengthened our global business presence in Brazil, Finland, South Korea and other locations

Year	Event
2020	• Completed the private placing of our A Shares, raising approximately RMB3.0 billion, and continued to focus on our core business strategy
2021	• Acquired Zhejiang Jintai to enter the new energy vehicle (NEV) industry
2023	• Signed a memorandum with Hanson Robotics Limited to collaborate on the design optimization, upgrades and mass-production testing of humanoid robots
	• Signed a nomination agreement with the subsidiary of a German automaker for power batteries to supply battery covers, die-cutting components and related injection molding and stamping parts
2024	• Issued convertible bonds, raising a total of RMB2.1 billion
	• Expanded into new business areas including robotics, servers and low-altitude economy
2025	• Established the global headquarter in Shenzhen
	• Awarded two gold medals and one bronze medal at the 2025 World Humanoid Robot Games
	• Acquired Zhejiang Xianglong, a tier-1 supplier of automotive driveline and transmission systems, serving a broad customer base across both new energy vehicle and traditional internal combustion engine manufacturers, as well as globally leading off-road vehicle brands
	• Acquired Jiangsu Kooda, a tier-1 supplier of automotive interior and exterior systems, with customers including several well-known vehicle manufacturers
	• Supplied thermal management and heat dissipation module products in bulk to AMD
2026	• Acquired Readore, a core supplier to leading North American computing power customers, enabling rapid entry into the server liquid cooling and power supply segments

CORPORATE DEVELOPMENT AND MAJOR CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS

(i) Establishment of Lingyi Technology Group

The history of the Group can be traced back to the incorporation of Lingsheng Electronic by Lin Ju (林菊), an Independent Third Party, in 2006. Ms. Zeng became an indirect holder of 95% of Lingsheng Electronic's issued share capital in 2011 through capital injection (the other shareholder, holding 5% of Lingsheng Electronic's issued share capital, was Lin Ju (林菊), an Independent Third Party), and subsequently established Lingyi Technology Group in 2012 with the incorporation of Lingyi Technology. Through a number of acquisitions undertaken up to 2017, Lingyi Technology became the holding company of the companies in Lingyi Technology Group, including Lingsheng Electronic.

(ii) Reverse Acquisition and listing of our Company

In January 2018, JPMF[1], a company listed on the Shenzhen Stock Exchange with the stock code of 002600 engaging in the business of production of magnetic materials, flat panel display devices and precision structural components, purchased all of the shares of Lingyi Technology held by Lingsheng Investment, Anhui Wuwangbuli Commercial Center (Limited Partnership) (安徽無往不利商貿中心(有限合夥)) (formerly known as Shenzhen Lingshang Investment Partnership (Limited Partnership) (深圳市領尚投資合夥企業(有限合夥)) ("Wuwangbuli LP"), and Anhui Xiqian Huitong Sales Partnership (Limited Partnership) (安徽喜仟匯通銷售合夥企業(有限合夥)) (formerly known as Shenzhen Lingjie Investment Partnership (Limited Partnership) (深圳市領傑投資合夥企業(有限合夥))) ("Xiqian Huitong LP") by issuing the shares of JPMF as consideration. The transaction amounted to RMB20.73 billion, with a total of 4,429,487,177 shares issued as consideration. The transaction constituted a major asset restructuring and reverse acquisition of JPMF under the A-share listing rules. On January 16, 2018, JPMF received approval from the CSRC to issue 4,139,524,021 shares to Lingsheng Investment, 196,103,812 shares to Wuwangbuli LP, and 93,859,344 shares to Xiqian Huitong LP for purchasing 100% equity interest of Lingyi Technology. On January 19, 2018, Lingyi Technology completed the industrial and commercial change registration for the acquisition.

The Company's shareholding structure before and after the completion of the Reverse Acquisition is set out below:

	Before the Reverse Acquisition			After the Reverse Acquisition	
Shareholder name	Number of shares held	Shareholding percentage	Number of new shares issued	Number of shares held	Shareholding percentage
Wang Nandong (汪南東)	434,734,400	18.46%	–	434,734,400	6.41%
Cao Yun (曹雲)	228,571,428	9.71%	–	228,571,428	3.37%
Chen Guoshi (陳國獅)	98,465,024	4.18%	–	98,465,024	1.45%
Ganzhou Kezhiwei Investment Co., Ltd. (贛州市科智為投資有限公司)(i) ("Ganzhou Kezhiwei")	85,970,626	3.65%	–	85,970,626	1.27%
Shenzhen Jumei Equity Investment Partnership (Limited Partnership) (深圳市聚美股權投資合夥企業(有限合夥))(ii) ("Shenzhen Jumei Equity")	85,714,284	3.64%	–	85,714,284	1.26%
Other shareholders of JPMF before the Reverse Acquisition	1,420,968,012	60.36%	–	1,420,968,012	20.95%
Lingsheng Investment(iii)(v)	–	–	4,139,524,021	4,139,524,021	61.02%
Wuwangbuli LP(iv)(v)	–	–	196,103,812	196,103,812	2.89%
Xiqian Huitong LP(iv)(v)	–	–	93,859,344	93,859,344	1.38%
Total	**2,354,423,774**	**100.00%**	**4,429,487,177**	**6,783,910,951**	**100.00%**

1 Jiangmen Powder Metallurgy Factory (江門市粉末冶金廠), the predecessor of JPMF, was established in 1975 and was restructured into Jiangmen Powder Metallurgy Factory Co., Ltd. (江門市粉末冶金廠有限公司) ("Jiangmen Powder Co") in 1994. Jiangmen Powder Co converted into JPMF Guangdong Co., Ltd. on September 4, 2008. In June 2011, with the approval of CSRC, JPMF issued 79.50 million ordinary shares denominated in RMB to the public. After the initial public offering, its total share capital was changed to 317.80 million shares, and its shares were listed on the Shenzhen Stock Exchange.

Notes:

(i) Ganzhou Kezhiwei (currently known as Shenzhen Kezhiwei Investment Co., Ltd. (深圳市科智為投資有限公司)) was an entity controlled by Mr. Chen Guoshi (陳國獅), a former director of JPMF. In 2015, Ganzhou Kezhiwei participated in the non-public placing of A shares by JPMF. Such shares were subject to a 36-month lock-up period, which expired on September 21, 2018. The relevant shares were disposed of in 2019, and Ganzhou Kezhiwei has not held any shares in the Company thereafter.

(ii) Shenzhen Jumei Equity was controlled by an immediate family member of Mr. Cao Yun (曹雲), a former director of JPMF. In 2016, Shenzhen Jumei Equity participated in the non-public placing of A shares by JPMF. Such shares were subject to a 36-month lock-up period, which expired on May 16, 2019. The relevant shares were disposed of in the same year, and Shenzhen Jumei Equity has not held any shares in the Company thereafter. Shenzhen Jumei Equity was deregistered on April 20, 2023.

(iii) Lingsheng Investment is a company wholly owned by Ms. Zeng.

(iv) At the time of the Reverse Acquisition, Ms. Zeng was a limited partner of Wuwangbuli LP and Xiqian Huitong LP, with an interest of 72.46% and 2.59%, respectively, and the general partners of Wuwangbuli LP and Xiqian Huitong LP were Huang Jibo (黃繼波) and Hui Ling (惠玲), each being an Independent Third Party, respectively. Subsequently, Wuwangbuli LP and Xiqian Huitong LP transferred their entire interests in the Company to their respective partners and were deregistered on July 27, 2022.

(v) In accordance with the PRC Regulations on the Administration of Acquisitions of Listed Companies (《上市公司收購管理辦法》), and in connection with the Reverse Acquisition, Lingsheng Investment, Wuwangbuli LP and Xiqian Huitong LP have been deemed to be parties acting in concert, although no concert party agreement has been signed between any of them.

We considered that the Reverse Acquisition enhanced the Lingyi Technology's the ability to increase the scale of its consumer electronics precision functional components business through external financing and acquisitions with the support of an A-share listing status and, through the synergistic integration of the businesses of Lingyi Technology and JPMF after the Reverse Acquisition, increase product lines and optimize the product range, and increase the competitiveness of the Group.

On February 13, 2018, JPMF's newly issued shares started trading on the Shenzhen Stock Exchange. On March 6, 2018, JPMF Guangdong Co., Ltd. changed its name to LINGYI iTECH (GUANGDONG) COMPANY (廣東領益智造股份有限公司).

(iii) Private Placement of Shares

In order to fund our precision metal processing projects, electromagnetic functional material projects and to supplement the Group's working capital, our Company placed 322,234,156 A Shares to 12 placees, and such A Shares were listed on the Shenzhen Stock Exchange on July 6, 2020. The placees included funds and other financial investment companies and are all Independent Third Parties. The net proceeds raised from the non-public placing of A Shares were approximately RMB3.0 billion. As of the Latest Practicable Date, all of the net proceeds had been utilized.

(iv) Share Incentive Plans

In recognition of the contributions of our employees and to incentivize them to further support our development, thereby maximizing the interests of the Company, its Shareholders, and employees, we have adopted the 2018 stock option and restricted share incentive plan, the 2020 stock option and restricted share incentive plan, the 2022 Employee Stock Ownership Plan, the 2024 Employee Stock Ownership Plan, the 2024 Share Option Scheme, and the 2025 Employee Stock Ownership Plan to attract and retain talent and promote our Group's long-term development.

Our Company issued a total of 78,748,000 share options and 124,646,394 restricted shares under the 2018 stock option and restricted share incentive plan. In 2021, our Company issued a total of 35,076,600 share options and 14,255,339 restricted shares under the 2020 stock option and restricted share incentive plan. Due to changes in market conditions, the Company repurchased and cancelled a total of 30,497,156 restricted shares under the 2018 stock option and restricted share incentive plan and 2020 stock option and restricted share incentive plan in 2023, and subsequently terminated such plans. As a result, the Company's share capital decreased from RMB7,038,674,975 to RMB7,008,177,819.

For details of our existing A Share Incentive Plans, namely the 2022 Employee Stock Ownership Plan, the 2024 Employee Stock Ownership Plan, the 2024 Share Option Scheme, and the 2025 Employee Stock Ownership Plan, see "Statutory and General Information — 4. Share Incentive Plans" set out in Appendix IV to this Prospectus.

(v) Issuance of Convertible Bonds and Redemption

To satisfy funding needs of our Company for acquisition and business operations, in November 2024, we conducted public issuance of convertible bonds with a par value of RMB2,137,418,100 (the "Convertible Bonds"), which were listed on the Shenzhen Stock Exchange on December 6, 2024 (bond code: 127107). The conversion period is from the first trading day after six months from the date of completion of the issuance of the Convertible Bonds to the maturity date of the Convertible Bonds, i.e., from May 22, 2025 to November 17, 2030. During the conversion period, the Company has the right to redeem part or all of the Convertible Bonds at its principal amount together with accrued and unpaid interest if, among others, during the conversion period, (i) the closing prices of the A Shares on at least fifteen trading days among thirty consecutive trading days are no less than 130% of the conversion price, or (ii) the amount of the Convertible Bonds which had not been converted into A Shares is less than RMB30 million. The net proceeds raised from the issue of the Convertible Bonds were approximately RMB2,116,023,100. As of the Latest Practicable Date, approximately 71.32% of the net proceeds had been utilized.

As of October 14, 2025, the Convertible Bonds with a par value of RMB2,132,907,500 had been converted into 233,610,732 A Shares and the outstanding Convertible Bonds with a par value of RMB4,510,600 were redeemed by the Company at a total price of RMB4,512,772.12. Our issued share capital increased to 7,305,042,812 Shares following the conversion and redemption of the Convertible Bonds. The Convertible Bonds were delisted on Shenzhen Stock Exchange on October 23, 2025.

OUR SHAREHOLDING STRUCTURE

As of the Latest Practicable Date, the shareholding structure of our Company is set out as follows:

Shareholder name	Number of A Shares held	Approximate shareholding percentage
Lingsheng Investment(i)(ii)	4,139,524,021	56.64%
Ms. Zeng(i)	108,536,846	1.49%
Other A Shareholders(iii)	3,060,137,813	41.87%
Total	**7,308,198,680**	**100.00%**

Notes:

(i) As of the Latest Practicable date, Lingsheng Investment is wholly owned by Ms. Zeng. Ms. Zeng and Lingsheng Investment are our Controlling Shareholders.

(ii) As at the Latest Practicable Date, Lingsheng Investment pledged 182,220,000 A Shares it held to certain regulated financial institutions in the PRC for financings provided by them to Lingsheng Investment, representing approximately 2.49% of the issued share capital of the Company.

(iii) To the best knowledge of our Directors as of the Latest Practicable Date, other A Shareholders included over 450,000 Shareholders, each holding less than 5% of our total issued A Shares.

MATERIAL ACQUISITION AND DISPOSAL

During 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, or conduct any acquisition that falls within the scope of Rule 4.05A of the Listing Rules.

OUR PRINCIPAL SUBSIDIARIES

We have carried out our business through our subsidiaries across different geographical locations. As of the Latest Practicable Date, we had 125 subsidiaries.

We consider the following subsidiaries as our principal subsidiaries taking into account, among other things, financial contribution and strategic importance of those subsidiaries:

Name of subsidiary	Principal activities	Place of establishment/ incorporation	Date of establishment/ incorporation	Equity interest attributable to our Group
Lingyi Technology	Precision parts and modules business	PRC	July 6, 2012	100%
Shenzhen LLmachine	Production and sales of precision parts and modules business	PRC	May 26, 2008	100%
Shengxiang Precision Metal (Dongguan) Co., Ltd. (東莞盛翔精密金屬有限公司)	Production and sales of precision parts and modules business	PRC	May 10, 2013	100%
Dongguan Lingyi Precision Manufacturing Technology Co., Ltd. (東莞領益精密製造科技有限公司)	Precision parts and modules business	PRC	December 9, 2014	100%
Dongguan Lingjie	Production and sales of precision parts and modules business	PRC	February 3, 2016	100%
LS City Technology (Jiangsu) Co., Ltd. (領勝城科技(江蘇)有限公司)	Production and sales of precision parts and modules business	PRC	December 20, 2013	100%
Shenzhen Lingfu Robot Technology Co., Ltd. (深圳市領福機器人科技有限公司)	Research and development of intelligent robots	PRC	September 11, 2025	100%
Shenzhen Lingyi Robot Technology Co., Ltd. (深圳市領益機器人科技有限公司)	Research and development of intelligent robots	PRC	May 7, 2025	100%
Dongguan Obi-di Precision Hardware Co., Ltd. (東莞市歐比迪精密五金有限公司)	Production and Sales	PRC	September 10, 2014	100%
A-CORE Jiangmen Electronics Co., Ltd. (江門安磁電子有限公司)	Production and Sales of Electronic Components	PRC	June 28, 2006	91.5%
Chengdu Lingyi Technology Co., Ltd. (成都領益科技有限公司)	Production and Sales	PRC	May 19, 2014	100%

Name of subsidiary	Principal activities	Place of establishment/ incorporation	Date of establishment/ incorporation	Equity interest attributable to our Group
Guilin Salcomp Electronic Technology Co., Ltd. (桂林賽爾康電子技術有限公司) . .	Production and Sales	PRC	July 4, 2022	100%
Lingsheng Electronic	Production and Sales	PRC	May 12, 2006	100%
Salcomp (Shenzhen) Co., Ltd. (賽爾康技術(深圳)有限公司)	Production and Sales	PRC	December 31, 1997	100%

Save for A-CORE Jiangmen Electronics Co., Ltd. (江門安磁電子有限公司), the Company held entire equity interests in the above principal subsidiaries throughout the Track Record Period or since their respective dates of establishment. For details of the minority interests of our subsidiaries, see "Shareholding and Corporate Structure Immediately Prior to the Global Offering" in this section. For shareholding changes of any member of our Group during the two years immediately preceding the date of this prospectus, see "Statutory and General Information — 1. Further Information About Our Company — D. Further Information about Our Subsidiaries" in Appendix IV to this Prospectus.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE, PREVIOUS LISTING ATTEMPTS AND REASONS FOR LISTING ON THE HONG KONG STOCK EXCHANGE

Our A Shares have been listed on the Shenzhen Stock Exchange since February 2018. Our Directors have confirmed that the Company has no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Adviser is of the view that the Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on the Shenzhen Stock Exchange in all material respects during the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Adviser's view as set out above, nothing has come to the Sole Sponsor's attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange in all material respects.

Our Company submitted an initial listing application to the Hong Kong Stock Exchange for the listing and the global offering of its H Shares on June 30, 2021 (the "Previous H Share Listing Attempt"). In relation to the listing application, the CSRC issued a notification on September 16, 2021, approving the Company's listing of its Shares on the Stock Exchange and its global offering. However, considering the fluctuations in the capital markets condition and change of business development strategies at that time, the Company voluntarily suspended the Previous H Share Listing Attempt in April 2022 following the lapse of such listing application.

We previously considered seeking a listing on the London Stock Exchange through the issuance of global depository receipts in 2022 (the "Previous GDR Listing Attempt", and together with the Previous H Share Listing Attempt, the "Previous Listing Attempts"). After evaluating the prevailing market conditions, working capital arrangements and our long-term business strategy, we decided to discontinue the Previous GDR Listing Attempt in 2023 and completed the issuance of convertible bonds as an alternative financing method. See "— Corporate Development and Major Changes in Share Capital and Shareholdings — (v) Issuance of Convertible Bonds and Redemption" for more details.

To the best of the Directors' knowledge and belief, the Company had complied with all applicable listing rules and securities laws and regulations during the Track Record Period and up to the Latest Practicable Date, and the Directors are not aware of any material matter concerning the Previous Listing Attempts that would adversely affect the Company's suitability for Listing on the Hong Kong Stock Exchange or other material matters that need to be brought to the attention of the Stock Exchange, the Shareholders or potential investors. Based on the independent due diligence performed by the Sole Sponsor, the Sole Sponsor confirms that they are not aware of any matters that may cause them to disagree with the Directors' view above.

Our Directors believe that the Listing of its H Shares on the Hong Kong Stock Exchange will be in the interests of our Group's business development strategies, and would be beneficial to us and our Shareholders as a whole for the following reasons: (i) the Listing will provide an additional fund-raising platform for our Company and give us the access to a wider pool of finance for our future expansion, and broaden channels for potential cross-border mergers and acquisitions. For more details, see "Business" and "Future Plans and Use of Proceeds"; and (ii) the Listing will further strengthen our business profile and global presence, and help us to recruit, motivate and retain talents to support our long-term and sustainable growth.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

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

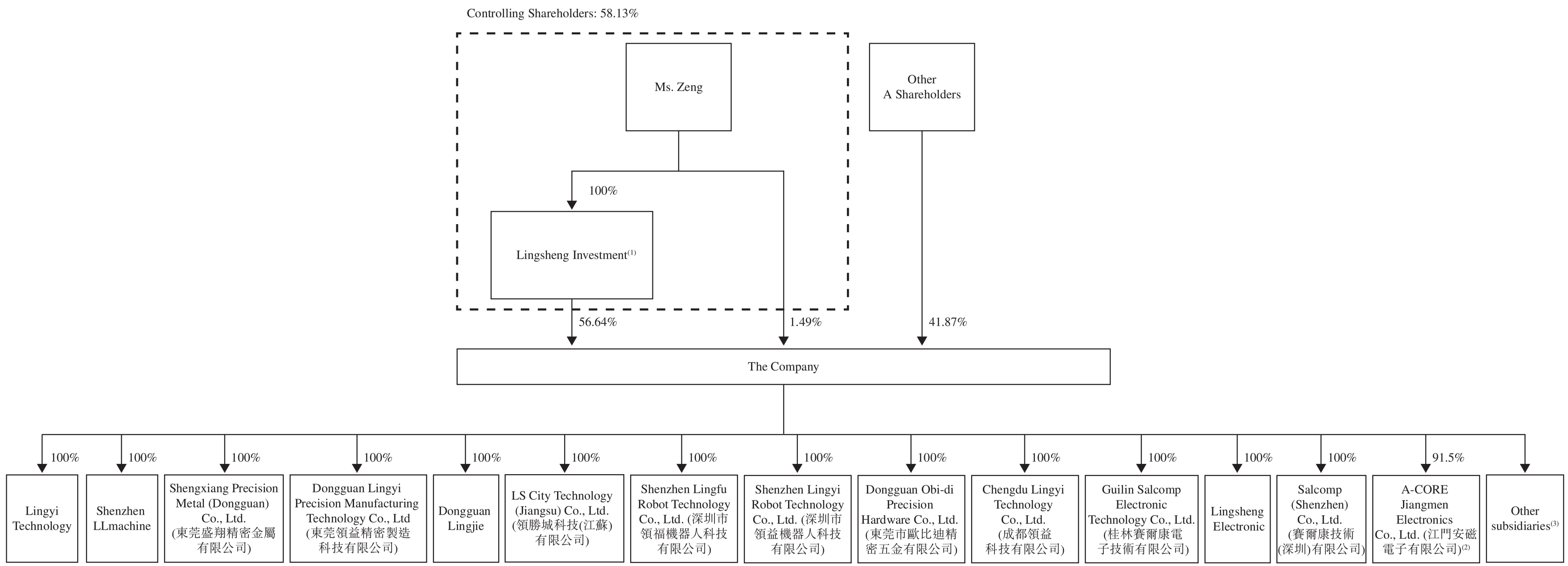
Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the H Shares to be issued pursuant to the Global Offering represents 10% of the total issued share capital of our Company (assuming no additional Shares are issued under the 2024 Share Option Scheme). Immediately following the completion of the Global Offering (assuming no additional Shares are issued under the 2024 Share Option Scheme), the total number of H Shares expected to be held by the public will represent approximately 10.04% of the total issued share capital of our Company (excluding 34,031,200 A Shares repurchased by our Company as treasury shares as of the Latest Practicable Date), which exceeds the prescribed minimum of 10% required to be held in public hands under Rule 19A.13A(2)(a) of the Listing Rules, and the expected market capitalization of the Company's H Shares will be HK$8,264.2 million calculated based on the offer price of HK$10.18 per Offer Share (being the maximum Offer Price), which exceeds the minimum expected market value 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.

Satisfaction of the Free Float Requirement

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (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. Based on the maximum Offer Price of HK$10.18 per H Share, the Company have an expected market value of more than HK$600,000,000 for that portion of H Shares held by the public and not subject to any disposal restrictions at the time of the Listing under Rule 19A.13C(2)(b), thereby satisfying the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

The following chart sets forth our simplified shareholding and corporate structure immediately prior to the Global Offering:



Notes:

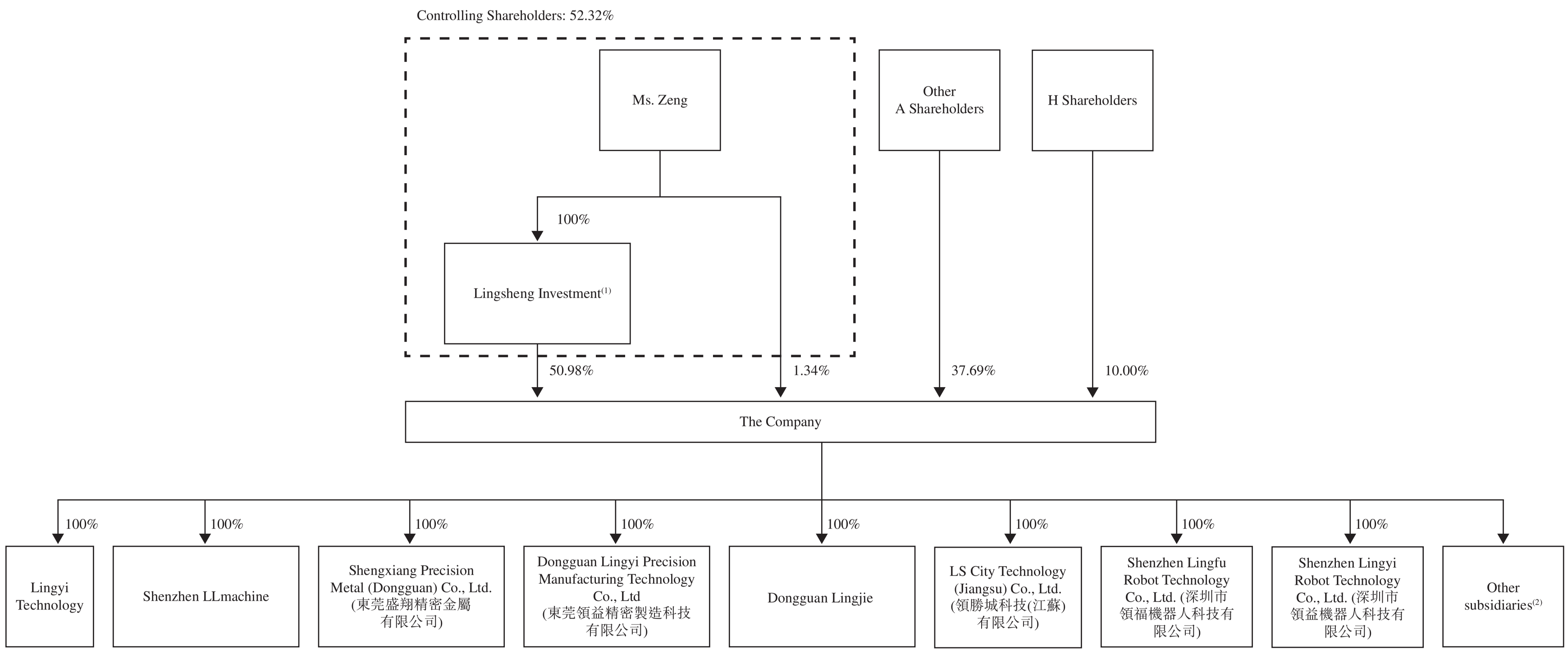
(1) As at the Latest Practicable Date, Lingsheng Investment pledged 182,220,000 A Shares it held to certain regulated financial institutions in the PRC for financings provided by them to Lingsheng Investment, representing approximately 2.49% of the issued share capital of the Company.

(2) The minority interests of A-CORE Jiangmen Electronics Co., Ltd. (江門安磁電子有限公司) are held as to 8.5% by JFE Chemical Corporation (JFEケミカル株式會社), an Independent Third Party.

(3) Other subsidiaries include, in aggregate, 110 subsidiaries established in various jurisdictions. As at the Latest Practicable Date, other non-wholly-owned subsidiaries of our Company include (i) JPMF Jiangmen Jinci Co., Ltd. (江門金磁磁材有限公司), a limited liability company, of which the minority interests are held as to 35% by Jiangmen Juchuan Electronic Technology Co., Ltd. (江門市巨川電子科技有限公司) and 10% by Liu Tong (劉彤); (ii) Mianyang Weiqi Electronic Technology Co., Ltd. (綿陽市維奇電子技術有限公司), a limited liability company, of which the minority interests are held as to 12.1040% by He Shimin (何世民), 7.2624% by Deng Yunyun (鄧芸芸), 3.9338% by Deng Yaling (鄧亞玲), 3.0260% by Deng Bin (鄧斌), 3.0260% by Deng Yulin (鄧玉林) and 0.9078% by Deng Xiaobin (鄧小斌); (iii) Zhejiang Jintai Electronics Co., Ltd. (浙江錦泰電子有限公司), a limited liability company, of which the minority interests are held as to 5% by Liu Jianming (劉建明). Chengdu Lingtao New Energy Technology Co., Ltd. (成都領韜新能源科技有限公司), Suzhou Linghui New Energy Technology Co., Ltd. (蘇州領匯新能源科技有限公司), Yangzhou Linghui New Energy Co., Ltd. (揚州領匯新能源有限公司) and LINGHUI SG NEW ENERGY PTE. LTD. are its wholly-owned subsidiaries, and Wenzhou Xinke Technology Co., Ltd. (溫州芯殼科技有限公司) is its non-wholly-owned subsidiary, of which minority interests are held as to 30% by Zhejiang Ruixu Technology Co., Ltd. (浙江瑞旭科技有限公司); (iv) Yangzhou Lingsheng New Energy Co., Ltd. (揚州領晟新能源有限公司), a limited liability company, of which the minority interests are held as to 33% by Ningde Lingsheng Investment Co., Ltd. (寧德領晟投資有限公司), 5% by Suzhou Yami Xinli Technology Venture Capital Partnership Enterprise (Limited Partnership) (蘇州亞米新力科技創業投資合夥企業(有限合夥)) and 5% by Xiamen Lingding Investment Partnership Enterprise (Limited Partnership) (廈門領鼎投資合夥企業(有限合夥)). Fujian Lingfu New Energy Technology Co., Ltd. (福建領福新能源科技有限公司), Chengdu Lingfu New Energy Technology Co., Ltd. (成都領福新能源科技有限公司) and Changzhou Lingsheng New Energy Technology Co., Ltd. (常州領晟新能源科技有限公司) are its wholly-owned subsidiaries; (v) Guangzhou Lingyu Equity Investment Partnership (Limited Partnership) (廣州領宇股權投資合夥企業(有限合夥)), a limited partnership, of which the minority interests are held as to 49.9688% by Shenzhen Linglue Investment Development Co., Ltd. (深圳領略投資發展有限公司); (vi) Dongguan Lingzhi Innovative Robot Technology Co., Ltd. (東莞領智創新機器人科技有限公司), a limited liability company, of which the minority interests are held as to 20% by Zhiyuan Innovation (Shanghai) Technology Co., Ltd. (智元創新(上海)科技股份有限公司); (vii) SALCOMP TECHNOLOGIES INDIA PRIVATE LIMITED, a limited liability company, of which the minority interests are held as to 0.00001% by Ananga Narayan Das; (viii) Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司), a limited liability company, of which the minority interests are held as to 17.78% by Zhang Qiang (張強), 12.3975% by Dongguan Maodan Investment Co., Ltd. (東莞市毛旦投資有限公司), 6.3397% by Wu Yan (武燕), 5.6396% by Xian Juhong (縣菊紅), 5.6396% by Wu Yongjun (武永軍), 4.75% by Dongguan Maohang Management Consulting Partnership Enterprise (Limited Partnership) (東莞毛行管理諮詢合夥企業(有限合夥)), 3.2379% by Ma Qi (馬琪), 3% by Hao Daichao (郝代超), 2.925% by Xinyu Decai Migu Venture Capital Center (Limited Partnership) (新余德彩米谷創業投資中心(有限合夥)), 1.9457% by Shan Xiaojun (單筱軍), 1.0153% by Tang Jian (唐健) and 0.325% by Dongguan Decai Juntai Venture Capital Fund (Limited Partnership) (東莞德彩君泰創業投資基金(有限合夥)); (ix) Dongguan Jieying Precision Silicone Technology Co., Ltd. (東莞捷盈精密硅膠科技有限公司), a limited liability company, of which the minority interests are held as to 20% by Foursome Enterprise Limited (世富新企業有限公司); (x) Jiangsu Kooda Stone Automotive Technology Co., Ltd. (江蘇科達斯特恩汽車科技股份有限公司), a limited liability company, of which the minority interests are held as to 27.69% by Changzhou Yourong Automotive Technology Co., Ltd. (常州優融汽車科技有限公司), 4.11% by Changzhou Stern Investment Management Enterprise (Limited Partnership) (常州斯特恩投資管理企業(有限合夥)), 4.11% by Shi Jianxin (石建新), 2.56% by Shanghai Maihuan Enterprise Management Partnership Enterprise (Limited Partnership) (上海邁環企業管理合夥企業(有限合夥)) and 1.54% by Changzhou Xingyuan Venture Capital Partnership Enterprise (Limited Partnership) (常州星遠創業投資合夥企業(有限合夥)); (xi) Zhejiang Xianglong Machinery Co., Ltd. (浙江向隆機械有限公司), a limited liability company, of which the minority interests are held as to 3.8464% by Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership) (寧波隆俊企業管理合夥企業(有限合夥)); (xii) Triumph Lead Group (Thailand) Co., Ltd., a limited liability company, of which the minority interests are held as to 0.002% by Ms. Zeng and 0.002% by Lu Jihong (盧基宏); (xiii) KOODA STONE Co., Ltd., a limited company, of which the minority interests are held as to 0.002% by Shi Jianxin and 0.002% by Zhou Yuan (周源). Except for Ms. Zeng and Shenzhen Linglue Investment Development Co., Ltd., which is held as to 95% by Ms. Zeng, all other minority interest holders disclosed above are Independent Third Parties.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth our simplified shareholding and corporate structure immediately following the completion of the Global Offering (assuming no additional A Shares are issued under the 2024 Share Option Scheme):



Note: Please refer to notes (1) to (3) in "Shareholding and Corporate Structure Immediately Prior to the Global Offering".

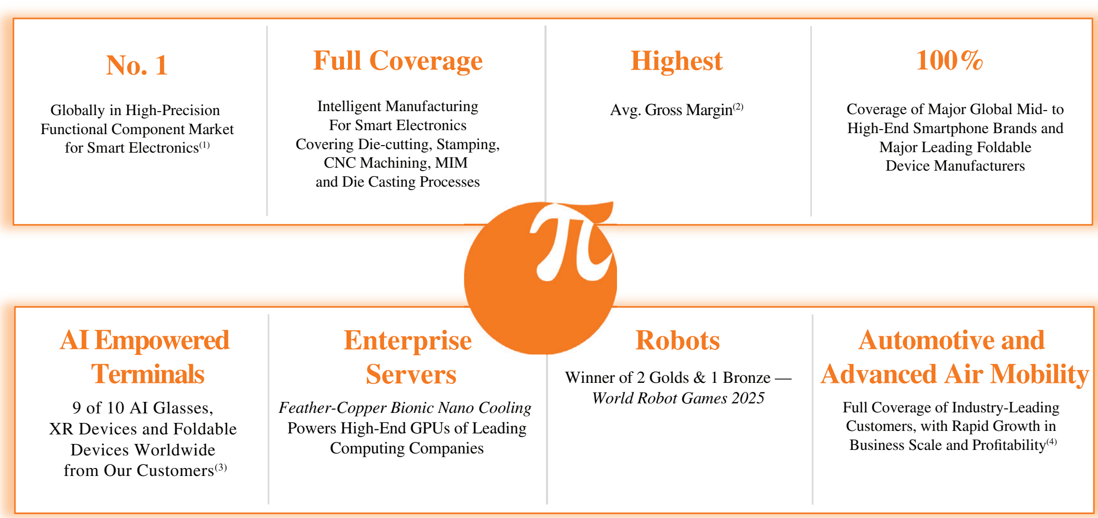
OVERVIEW

Who We Are

We are a leading high-precision intelligent manufacturing platform for electronic devices, delivering one-stop production services and solutions to customers worldwide. We provide a full-spectrum portfolio of core materials, high-precision functional components, modules and assembled systems, underpinned by continuous technology development and our AI-integrated manufacturing capabilities. Guided by the principles of lean management, digitalization, automation and sustainability, we power a broad range of end markets including electronic devices (covering smart electronics, robotics and enterprise servers), automotive and advanced air mobility. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first globally in the high-precision functional component market for smart electronics, and third globally among high-precision intelligent manufacturing platforms for smart electronics.

As a long-term manufacturing partner behind global technology leaders, we operate a manufacturing network built for high-volume, high-standard and high-complexity production. Through cross-functional development, responsive execution and a globally-distributed R&D and production network, we have become a critical enabler within the electronic device value chain and received multiple supply chain excellence awards from leading global technology companies. As of December 31, 2025, our customer base encompasses some of the world's largest companies by market capitalization in smart electronics, NEVs, and social networking and XR. We have been named among the Fortune China 500 for eight consecutive years from 2018 to 2025.

The chart below illustrates our key business highlights:



Notes:

(1) In terms of revenue in 2025

(2) In terms of the average gross margin from 2023 to 2025 among the top three global high-precision intelligent manufacturing platforms for smart electronics (ranked by 2025 revenue)

(3) In terms of the sales volume in 2025

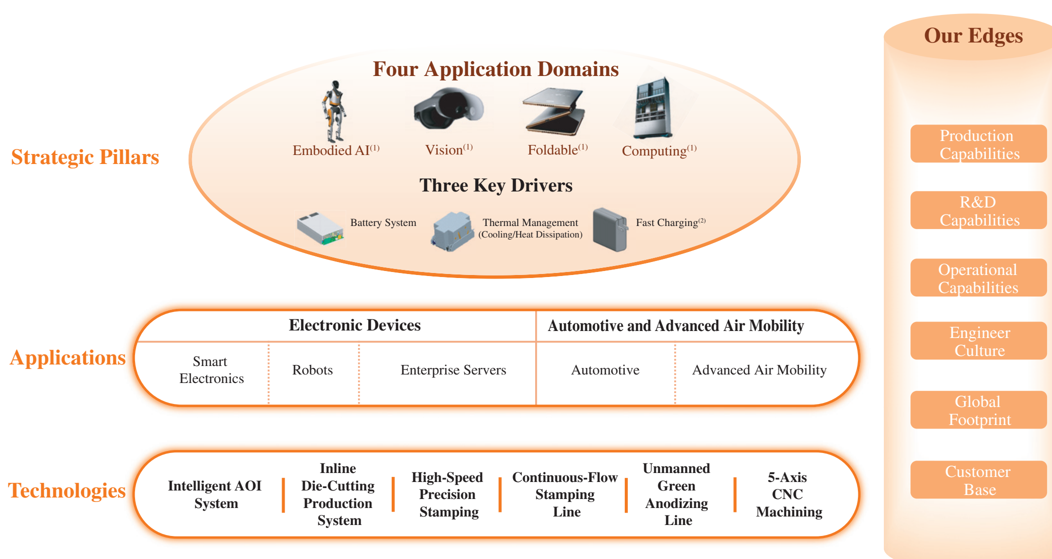
(4) Our revenue increased by 52.9% in 2024 and 39.6% in 2025 on a year-on-year basis, while our gross margin expanded by 8.1 percentage points in 2025 compared to 2024.

Our Business

Rooted in the belief that precision defines manufacturing value, we aim to advance intelligent manufacturing and contribute to the global development of intelligent manufacturing for AI-powered devices, reinforcing the reputation of high-quality manufacturing originating from China. We are committed to building an integrated solutions platform spanning core materials, high-precision functional components, modules and assembled systems.

Hardware interoperability enables modularity, reusability and scalability across products and applications. By deeply integrating materials science, process innovation and diverse end-use applications, we have formed a global network that unites R&D, engineering and production to deliver multi-scenario solutions. With AI adoption accelerating across industries, we are strategically positioned at critical hardware nodes in next-generation devices. Our strategic pillars span four emerging application domains — embodied AI (such as humanoid robots), vision (such as AI glasses and XR devices), foldable (such as foldable devices), and computing (such as servers), creating multi-track synergy and a diversified growth profile across electronic device ecosystem.

The diagram below illustrates our strategic pillars, competitive edges, application scenarios and core technologies:



Notes:

(1) Embodied AI includes, but is not limited to, humanoid robots; vision includes, but is not limited to, AI glasses and XR devices; foldable includes, but is not limited to, foldable smartphones, laptops and other devices; and computing includes, but is not limited to, servers.

(2) Fast charging refers to fast chargers and charging adapters.

Advancing Early Deployment for the Next Growth Wave

We continue to advance standards of advanced manufacturing for electronic devices. Our strategic presence across electronic devices, automotive and advanced air mobility fuels sustained expansion. To capture the next growth cycle, we are deepening investment in humanoid robots, AI glasses and XR devices, foldable devices and servers, supported by strong foundations in battery systems, thermal management and fast-charging technologies, which underpin continued innovation in electronic devices.

Accelerating Innovation through Full-Stack Technology

Since developing our first rotary die-cutting machine, we have maintained a stable, interoperable R&D methodology that balances performance and cost efficiency. Our proprietary technologies include:

- *AOI system with real-time feedback and adjustment*: integrating deep-learning-based defect detection and in-house optical design to achieve minimal-omission inspection and closed-loop optimization, thereby elevating quality and yield;

- *Inline die-cutting production system*: enabling continuous operation and automated material changeover to maximize material utilization and overall equipment efficiency;

- *High-speed precision stamping technology*: operating at substantially higher speeds than conventional presses, integrating packaging and inspection to boost mass-production efficiency;

- *Continuous-flow stamping line*: combining stamping, welding, cleaning and inspection for higher production efficiency with reduced resource consumption;

- *Unmanned green anodizing line*: powered by AGV-based automation for fully unmanned operation, ensuring consistent quality while minimizing environmental impact; and

- *Five-axis CNC machining technology*: using synchronized motion control for single-pass forming of complex components, improving machining efficiency and material utilization.

Scaling Growth through Strategic Acquisitions

We pursue a dual-engine growth model combining organic expansion and targeted acquisitions. Underpinned by a disciplined M&A strategy, we have broadened our product portfolio, strengthened core capabilities and accelerated integration into our customers' supply chains. Strategic acquisitions help us expand our solution offering, deepen customer collaboration and reinforce our global market position as a long-standing partner in intelligent manufacturing for electronic devices.

Operating Locally, Delivering Globally

We operate through a synergistic model that unites localized operations and global delivery, enabling both agility and efficiency across markets. Supported by a three-tier R&D structure and over 40 R&D centers worldwide, we foster international collaboration and cross-regional technological synergy. With over 63 manufacturing plants and delivery hubs, our localized supply chain spans key regions across the world, enabling real-time demand insight, rapid response capability and reliable delivery performance for our customers worldwide.

Empowering Innovation through Engineer Culture

We view talent as our most valuable asset. Our engineer culture drives continual innovation and self-improvement across the organization. Through structured talent development, technical upskills and targeted investment in expertise, our engineer culture has become a defining strength, propelling our sustained technological advancement and long-term growth.

Sustainability Built into Operations

We embed ESG principles into our corporate strategy and day-to-day operations, aligning advanced manufacturing with sustainable development. Through systematic initiatives in environmental stewardship, social responsibility and corporate governance, we have advanced green manufacturing throughout our production network, supported by energy-saving programs, recycling-based process upgrades and real-time resource-management systems. We are among the few high-precision intelligent manufacturing platforms for electronic devices that have achieved an "A" rating from a leading global ESG ratings agency for three consecutive years from 2023 to 2025.

OUR STRENGTHS

World-Leading High-Precision Intelligent Manufacturing Platform for Electronic Devices

We are a leading high-precision intelligent manufacturing platform for electronic devices, with specialized process expertise and strong technological capabilities across battery systems, thermal management and fast-charging technologies. We have built a distinctive global operating model grounded in a structured and systematic management framework, enabling efficient replication across business segments and units and fostering collaboration at multiple levels. These strengths enable us to deliver broad-spectrum intelligent manufacturing and high-quality product delivery for electronic devices to leading companies across various sectors worldwide.

According to Frost & Sullivan:

- we ranked first globally in the high-precision functional component market for smart electronics in 2025, with a market share exceeding twice the combined share of the second- to fifth-largest players;

- we ranked third globally among high-precision intelligent manufacturing platforms for smart electronics by revenue in 2025; and

- our humanoid robot customers and partners include several players among the top five manufacturers by shipments in 2025.

We remain committed to delivering high-efficiency, high-reliability, one-stop production solutions across domains for global customers. As AI technologies accelerate product iteration and customization, we are evolving from process expertise to integrated product manufacturing and further toward system-level solution development, enabling customers to maintain technological and competitive leadership in a rapidly transforming global landscape.

Comprehensive Product Portfolio Advantage for Emerging Industry Opportunities

We uphold a long-term vision grounded in value co-creation and strategic foresight, consistently capturing inflection points in industry transformation. According to Frost & Sullivan, we are among the high-precision intelligent manufacturing platforms for electronic devices with the broadest product portfolio worldwide, strategically centered on humanoid robots, AI glasses and XR devices, foldable devices and servers. Our full-spectrum product portfolio covers core materials, high-precision functional components, modules and assembled systems, enabling us to serve global customers with diverse hardware needs.

Embodied AI: Humanoid Robots

We aim to further develop our presence in global manufacturing for embodied AI, underpinned by our strengths in manufacturing capabilities, R&D depth and technological innovation. Our full-stack manufacturing expertise covers joint modules, dexterous hands and full-body mechanical structures for humanoid robots. Our self-developed humanoid robots, *Ling Long* (領瓏) and *Pan Shi*

(磐石), won two gold medals and one bronze at the first World Humanoid Robot Games in 2025. We were also recognized among the "Top Forces in Embodied AI," highlighting our strong technological prowess in the embodied AI field.

According to Frost & Sullivan, we are among the earliest high-precision intelligent manufacturing platforms globally to develop robotics and automation hardware, with continuous progress since 2006:

- 2006: advanced automation equipment and intelligent manufacturing technology, which formed the foundation for our robotics development;
- 2009-2022: launched the first-generation Delta parallel robot *Banjiu* (斑鳩) and multiple industrial robots, transitioning from single-machine to full-line automation;
- 2023-2024: introduced the dual-arm humanoid robot *Youjia* (有加) alongside a wearable exoskeleton teaching device, enhancing human-machine collaboration; and
- 2025-present: developed a new-generation bionic dual-arm humanoid robot with coordinated dual-arm manipulation and autonomous mobility, which has been deployed in industrial environments.

We have also formed strategic collaborations with leading embodied AI enterprises worldwide. Such collaborations involve product-level research and development, manufacturing and sales in relation to industrial embodied intelligent robots, and are directed toward advancing the industrial application, commercialization and ecosystem development of humanoid and embodied robotics technologies.

Vision: AI Glasses and XR Devices

We have built a strong position in AI glasses and XR devices, offering one-stop production solutions to global mainstream brands spanning core materials, high-precision functional components, modules and assembled systems. To strengthen our technological foundation, we established specialized laboratories and partnered with top research institutions to advance next-generation display and optics technologies. According to Frost & Sullivan, as of December 31, 2025, our customers encompassed major global AI glasses and XR device manufacturers, collectively driving the evolution of AI-powered visual hardware.

Foldable: Foldable Electronics

We supply high-precision structural components, hinge modules and thermal management solutions to global technology leaders, achieving technical advancements in reliability, crease control and lightweight design. According to Frost & Sullivan, as of December 31, 2025, our customers included five of the top seven foldable device manufacturers in terms of shipments in 2025. Our carbon fiber structural components are in mass production for multiple flagship models, while our thermal management products have achieved wide commercial adoption.

In materials innovation, we were among the first to achieve mass production of ultra-thin titanium-alloy supports and carbon-fiber support plates, according to Frost & Sullivan, meeting the industry's demand for lighter yet stronger form factors. In thermal management, we continue to push technological frontiers with innovations such as: (i) one of the world's first stainless-steel VCs for smart electronics, according to Frost & Sullivan; (ii) ultra-thin titanium-alloy VCs for foldable smartphones; (iii) steel-copper, copper-aluminum and other composite VCs; and (iv) ultra-thin VCs that have entered mass production.

Computing: Servers

As a full-stack thermal management specialist, we offer a comprehensive thermal management product portfolio encompassing liquid cooling and air cooling technologies, with mass production established for leading global computing companies. In 2026, we expanded our capabilities in the server liquid cooling and power supply sectors through the acquisition of Readore, a core supplier to a premier global computing leader based in North America. This acquisition has enhanced our position in the AI server market, enabling the provision of sophisticated liquid cooling solutions, including liquid cooling plates, quick disconnects and manifolds, specifically engineered for high-density AI servers and large-scale computing clusters.

Leveraging our intelligent manufacturing capabilities, we developed a multi-axis cavity thermal management module that delivers superior performance in the 400W-1000W power range compared with mainstream 3D VC heat spreaders. The module significantly lowers material and manufacturing costs, accelerates delivery cycles, and enhances production yield. This high-performance solution has been widely adopted in servers and other high-demand, high-specification applications, reinforcing our leadership in thermal management technologies.

Visionary Leadership with Entrepreneurial Drive and a Global Outlook

Ms. Zeng Fangqin, our founder, chairwoman of the Board and general manager, brings deep expertise and strategic insight in intelligent manufacturing and business management, allowing her to anticipate industry trends with clarity and foresight. Her leadership has shaped our strategic direction since inception. Under her guidance, we have established a core management team with international vision and multidisciplinary backgrounds, ensuring cohesive and agile decision-making. Members of our management team previously held senior roles at global technology and manufacturing leaders, and the experience they gained in supply chain management, materials science and precision manufacturing supports our strategic planning and business expansion worldwide.

We view talent as our most valuable asset. Our engineer culture continues to drive innovation and operational capabilities. To support global expansion, we pursue a talent-strengthening strategy through university partnerships, targeted recruitment, systematic training and multi-level equity incentives, continuously optimizing our talent structure and leadership pipeline. We place strong emphasis on technical talent, channeling resources to R&D, engineering, lean management and quality. Through regular technology reviews, tiered learning paths, and targeted capability-building programs, we strengthen professional expertise and accelerate career progression for young engineers. As of December 31, 2025, employees holding master's or doctoral degrees in our R&D team increased by 38.6% year over year, reflecting ongoing enhancement of our high-end talent base.

End-to-End Manufacturing Technology and Intelligent Manufacturing Innovation

Our full-stack technology and intelligent manufacturing innovation have produced multiple advancements from concept to commercialization. By integrating AI and robotics throughout production, we have improved manufacturing precision, operational efficiency and resource utilization.

Our full-stack technology reflects our engineer culture and commitment to precision. For example, our high-precision injection molding technology delivers high-precision tolerance control that supports the accuracy and manufacturing reliability required for foldable devices and micro-optical components. In high-speed stamping, we achieve sustained high-frequency, continuous throughput. As of December 31, 2025, we held 2,004 patents and continued to strengthen our leadership in advanced process design and innovative materials through ongoing collaboration with top universities and research institutions.

Our intelligent manufacturing framework, centered on AI and robotics, drives measurable gains across production:

- *Intelligent manufacturing*. Our benchmark manufacturing plant in Shenzhen is connected to an AI-based scheduling system. Our AI-powered inspection system processes a vast volume of product images each day and is supported by an extensive defect database, enabling real-time, flexible adjustments to production lines. Our AI-based forecast accurately anticipates raw material demand fluctuations, effectively reducing procurement costs while sustaining a high material availability rate.

- *Robotics empowerment*. We are developing an embodied AI data platform that merges real-world, simulated and internet data to create a full perception-to-intelligence ecosystem for industrial applications.

Through our intelligent manufacturing system, we generated substantial labor savings, lowered material expenditure, strengthened yield performance and elevated equipment utilization, demonstrating our strong operational efficiency and disciplined cost management.

Long-Term Customer Alliances with Global Technology Leaders

We are a long-standing partner to global technology leaders, building long-term, high-value relationships that drive innovation and shared growth.

Our high-quality and diversified customer portfolio underpins our sustainable expansion. In 2025, our customer base encompasses leading global mid- to high-end smartphone brands, major foldable device manufacturers, top AI glasses and XR device companies, and humanoid robot enterprises. Our server thermal management solutions are supplied in volume to one of the world's largest computing companies, and our automotive products are adopted by the two largest intelligent vehicle OEMs globally. Through end-to-end capabilities in product definition, R&D support, scalable manufacturing, supply chain management and global delivery, we are integrated into our customers' innovation cycles from concept design through mass production.

We maintain high customer retention and deep collaboration with global technology leaders through joint laboratories, co-development programs and shared R&D platforms, achieving innovation in materials, thermal management systems and high-precision structural components. Through such collaborations, we participate in iterative development and engineering programs covering materials innovation, thermal management solutions and high-precision structural components, reinforcing our role as a manufacturing partner in advanced hardware development. To ensure agile response to global customer needs, our near-shore support centers across Asia, Europe and the Americas enable 24-hour cross-time-zone collaboration and real-time responsiveness. Our self-developed digital supply chain platform tracks demand fluctuations, optimizing capacity and resources to maintain high efficiency throughout the entire process. We continue to broaden our product portfolio and enhance customer engagement to build stronger loyalty and advance strategic partnerships.

Global Strategic Footprint as a Competitive Edge

According to Frost & Sullivan, we are among the high-precision intelligent manufacturing platforms for electronic devices with the widest global footprint. Our strategy combines localized operations and global delivery, creating a two-track business model that supports both domestic and international growth. Through a globally-integrated layout, we localize R&D, production, sales and delivery in key regions, enabling rapid, efficient responses to customer needs worldwide.

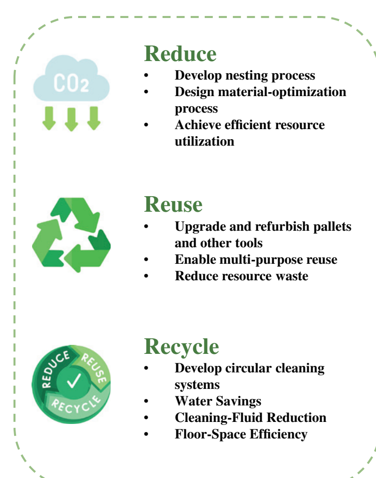
We have established an efficient three-tier R&D and lean production structure consisting of the Engineering Research Institute, business group ("BG") technology centers and business unit ("BU") product development centers, forming a connected framework from frontier research to mass production. These functions collectively connect frontier technology exploration, process refinement and large-scale product implementation, driving continuous innovation and rapid industrialization. As of December 31, 2025, we operated over 40 R&D centers across countries and regions, enabling cross-border collaboration and accelerating technology industrialization.

We have built a highly efficient global manufacturing and delivery network with more than 63 manufacturing plants and delivery hubs worldwide. In the Chinese Mainland, our manufacturing plants span multiple provinces and cities, producing core materials, high-precision functional components and modules and assembling ready-to-deploy systems. Overseas, we operate localized capacities in major global markets supported by dedicated R&D centers, sales branches and delivery hubs. This localized operating model enables faster delivery cycles, customized solutions and close customer integration, strengthening our position as a globally-competitive intelligent manufacturing partner.

Excellence in Green Intelligent Manufacturing and Sustainable Growth

We view business performance and sustainability as interdependent goals. Guided by the core principles of reduce, reuse and recycle (“3R”), we have embedded green manufacturing across every production stage. In 2025, we saved more than 44.0 million kilowatt-hours of electricity and reduced carbon emissions by over 24.2 thousand tons. Through innovations such as die-cut nesting, material-saving detour processes and recycling-based cleaning systems, we have improved resource utilization, delivering substantial reductions in water and cleaning-fluid consumption and notable gains in material utilization across key processes.

We extend environmental responsibility across the entire supply chain, building a supplier-and-customer ecosystem focused on sustainable performance. Our energy internet of things (“IoT”) platform enables real-time monitoring of consumption across facilities, fostering transparency and continuous improvement. Environmental performance metrics are embedded in supplier assessments, encouraging the use of recycled aluminum, reclaimed polycarbonate materials and other sustainable inputs. These measures help steer the industry toward greener, more efficient, higher-quality manufacturing. Looking ahead, we will continue pursuing long-term sustainable growth, aligning business performance with green innovation to create shared value for partners, society and the environment.



OUR STRATEGIES

Anchored in our 2030 growth roadmap, we focus on advancing the strategic pillars through key drivers such as battery systems, thermal management and fast-charging technologies, alongside application domains including the fields of embodied AI, vision, foldable and computing. As a leading high-precision intelligent manufacturing platform for electronic devices, we are evolving from product integration to solution-driven innovation. We plan to strengthen our position and long-term sustainability through portfolio depth, technology advancement, international operations, strategic acquisitions, talent development and green manufacturing, driving innovation across the electronic devices, automotive and advanced air mobility sectors.

Drive Portfolio Expansion Through our Strategic Pillars

We serve partners through extending our core capabilities in precision manufacturing and automation to partners across the global value chain. Building on our high-precision intelligent manufacturing platform for electronic devices, we are expanding a multi-track product portfolio centered on battery systems, thermal management and fast-charging technologies, and extending into next-generation applications in embodied AI, vision, foldables and computing hardware. Such portfolio strengthens our leadership across electronic devices, automotive and advanced air mobility, driving deeper technological capability and broader market relevance.

We plan to increase R&D investment in these priority areas, introduce high-performance, next-generation products and establish medium- and long-term growth engines that enhance both our global competitiveness and sustainable development. By combining core process innovation with expanding application fields, we continue to reinforce our position in the industry powering the next waves of innovation of electronic devices.

Build a Future-Ready Intelligent Manufacturing Platform Driven by Innovation

We aim to create a modular collaboration platform for next-generation hardware development. We continue to elevate quality, process sophistication and technology capability. Our work on lean, digital, automated, and green production systems forms a future-ready manufacturing framework that promotes continuous improvement, shared value creation and sustainable industrial growth.

Reinforce Global Operations and Local Responsiveness

We continue to enhance our global value chain by strengthening R&D and production capabilities across both domestic and overseas bases. Through localized support and co-development with strategic customers, we deliver globally-competitive products tailored to local markets. Under a structured global management framework, we have developed an operating model that fosters collaboration across business segments and geographies. By deepening the two-track interactions between domestic and international markets, we aim to raise operational efficiency, speed and resilience.

Accelerate the Next Growth Curve through Strategic Acquisitions

We actively identify core technologies and high-growth product opportunities to extend our innovation reach and reinforce our value chain. Through targeted capital deployment and strategic industry integration, we seek to unlock new growth curves and strengthen our position in global high-end manufacturing. Our M&A strategy focuses on AI computing infrastructure and related advanced manufacturing sectors, consolidating our leadership and expanding our technological depth.

Advance a Talent-Driven Strategy and Strengthen the Engineering Mindset

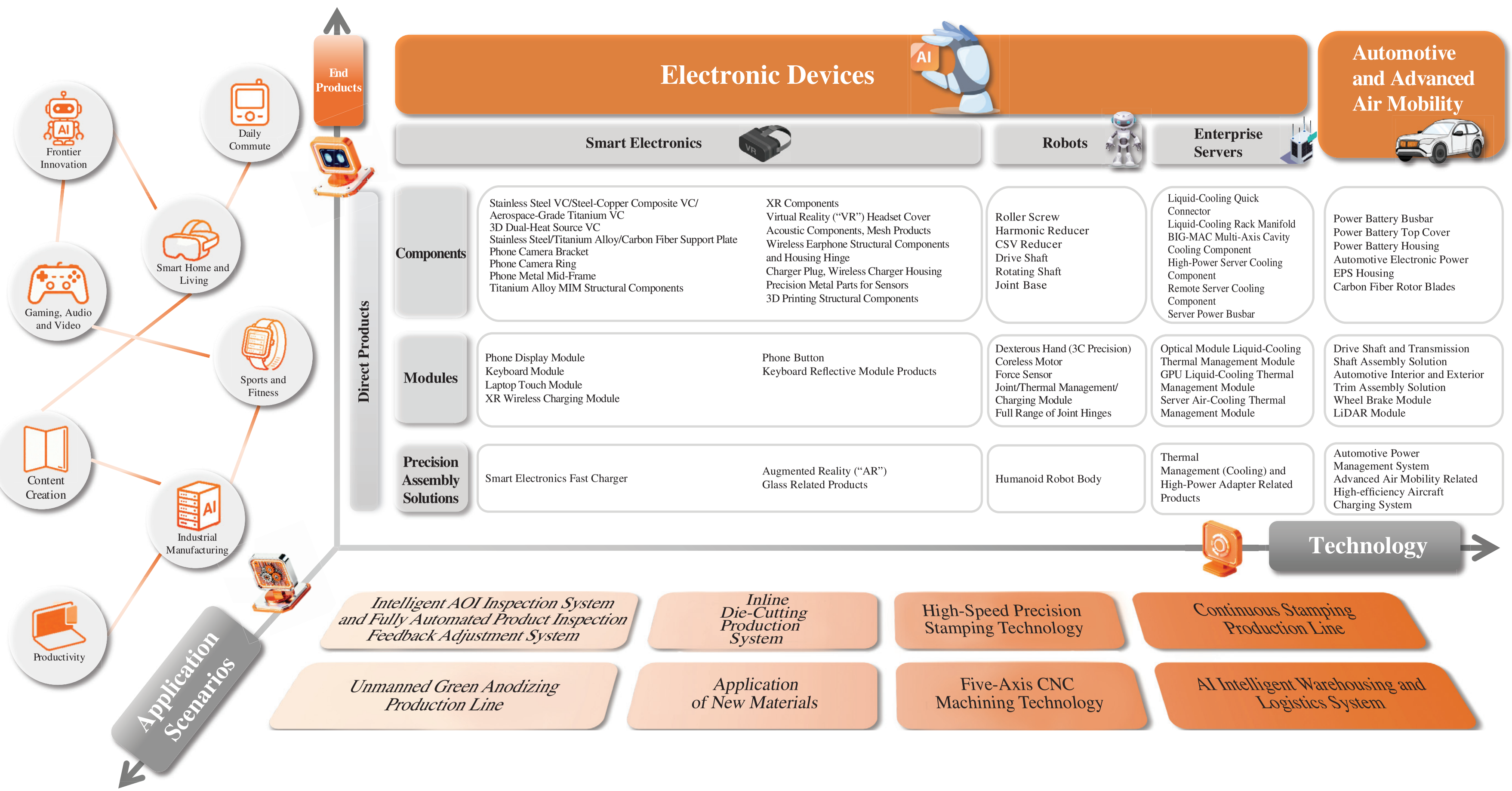
We view talent as the core catalyst of sustainable growth. Through university partnerships, focused recruitment, structured training, performance incentives and organizational optimization, we continue to build a strong global talent foundation. We are nurturing high-performance engineering teams that combine innovation, precision and craftsmanship. Our engineer culture, defined by curiosity and technical rigor, equips us to capture emerging industry trends and sustain long-term progress.

Lead in Green Manufacturing and Low-Carbon Transformation

We uphold the 3R principles of reduce, reuse and recycle, embedding low-carbon practices throughout our manufacturing process. By optimizing our energy structure and advancing circular resource utilization, we aim to achieve full carbon neutrality by 2030. Our continuous investment in green manufacturing creates sustainable value for customers, society and the environment, establishing our Company as a global benchmark for responsible intelligent manufacturing.

OUR PRODUCTS AND SOLUTIONS

The diagram below illustrates our major products, key technologies and application scenarios:



We deliver one-stop intelligent manufacturing services and solutions, offering a full range of development and manufacturing capabilities that cover core materials, high-precision functional components, modules and assembled systems for diverse end products. Our comprehensive offerings are strategically structured by primary end markets to closely align with the specific performance and quality demands of each sector we serve.

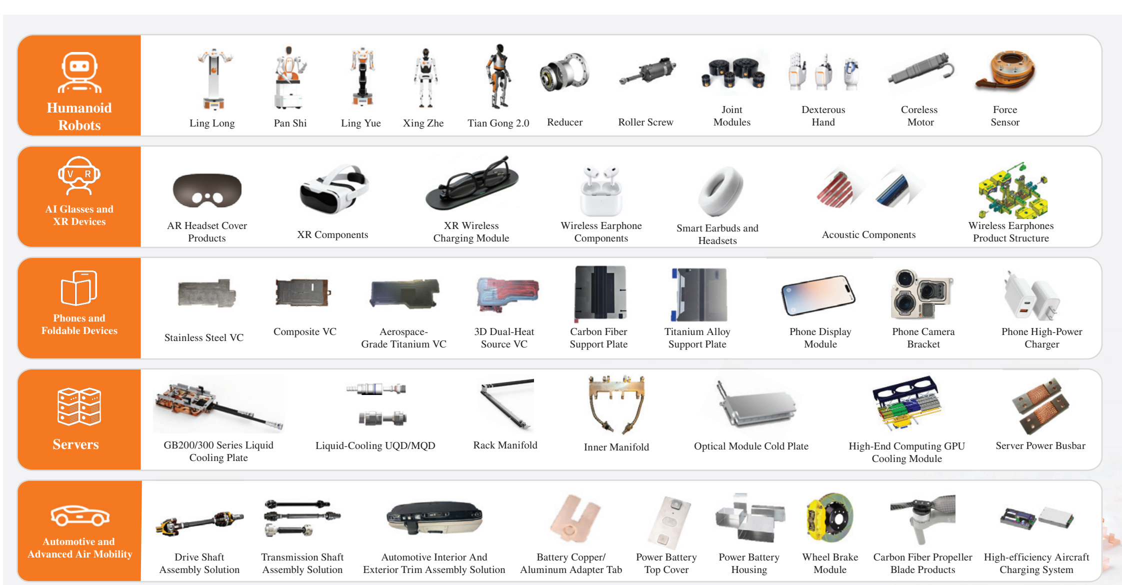
We operate beyond the scope of a traditional manufacturer, positioning ourselves as a strategic collaborator deeply integrated into our customers' R&D lifecycle, commencing at the early prototype phase. We believe our front-loaded engagement significantly accelerates the time-to-market of new products, making it highly efficient by leveraging our established, modular design platforms and proprietary process technologies. These shared assets enable the rapid development and deployment of a diverse product portfolio across multiple end markets, simultaneously enabling rapid innovation and robust, high-volume scalability. Moreover, our ability to offer end-to-end solutions from core materials to ready-to-deploy systems is powered by our expertise in vertical integration and cross-domain technology. Such capability is vital for supporting demanding applications that span high-growth end markets.

We categorize our solutions into two principal segments: electronic devices, and automotive and advanced air mobility.

- *Electronic Devices.* Our electronic device segment covers the entire value chain of electronic devices, extending from raw material provision, R&D, precision assembly to manufacturing, sales and supporting services. In smart electronics, our solutions are widely applied across a range of products, including but not limited to, smartphones, laptops, smart devices and foldable devices. We are also expanding into new strategic areas. For enterprise servers, we provide thermal management products and power supply equipment. Leveraging our precision manufacturing and design capabilities, we develop core components for intelligent robots, which broaden the scope of AI applications and create new growth opportunities.

- *Automotive and advanced air mobility.* We provide core materials, high-precision functional components, modules and assembled systems that enable the electrification and intelligent transformation of vehicles and low-altitude mobility. Our offerings support power battery systems and critical in-vehicle functions, ensuring safety, efficiency and reliability. By partnering with leading industry players, we are helping to shape the future of smart mobility across both automotive and emerging aerial applications.

The following diagram shows our selected products for each of end-product types:



During the Track Record Period, we generated revenue primarily from sales of our products. The following table sets forth the breakdown of our revenue by business segment for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Electronic devices						
– Imaging and display	5,542,966	16.2	11,270,092	25.4	11,884,538	23.1
– Materials	6,457,276	18.9	7,476,280	16.9	7,822,065	15.2
– Battery and power supply	6,984,433	20.4	6,482,952	14.6	7,578,806	14.8
– Thermal management	3,760,895	11.0	4,107,088	9.3	5,124,786	10.0
– Sensors and related components and modules	1,724,883	5.1	3,523,358	8.0	4,272,156	8.3
– Precision assembly and others	3,398,508	10.0	3,863,080	8.7	4,336,384	8.4
– AI glasses and XR devices	2,844,211	8.3	4,056,900	9.2	3,774,483	7.3
Subtotal	**30,713,172**	**89.9**	**40,779,750**	**92.1**	**44,793,218**	**87.1**
Automotive and advanced air mobility	**1,384,509**	**4.1**	**2,116,865**	**4.8**	**2,954,379**	**5.7**
Others(1)	**2,056,336**	**6.0**	**1,362,918**	**3.1**	**3,681,347**	**7.2**
Total	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**

Note:

(1) Others mainly comprise the revenue from our clean energy business.

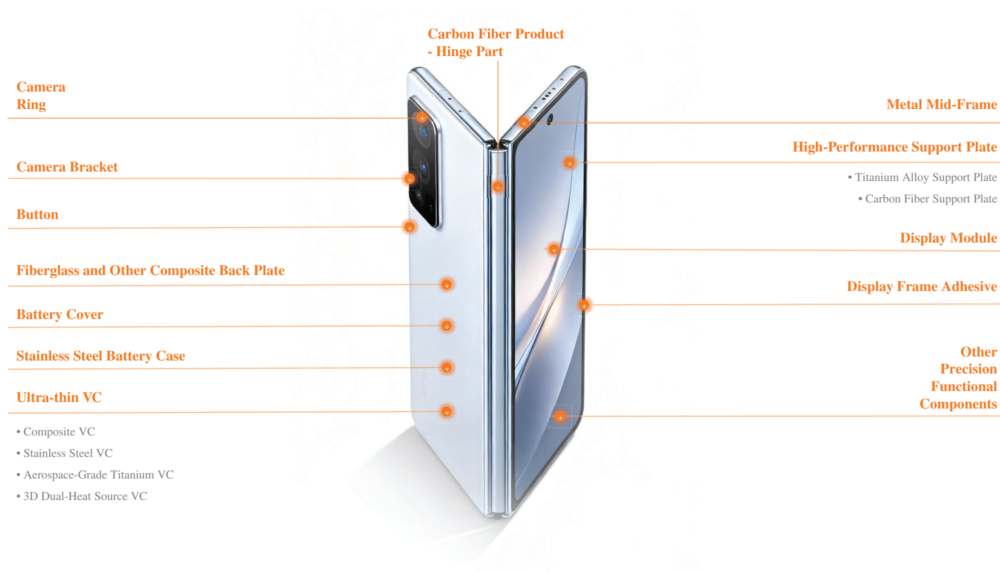
Electronic Devices

Our electronic devices segment is a key part of our business, representing our capabilities as a high-precision intelligent manufacturing platform for electronic devices. Leveraging our strengths in materials engineering and precision assembly, we deliver a comprehensive suite of products that integrate advanced design and intelligent technologies, to support the reliability and quality of electronic devices and enhance their performance, connectivity and overall user experience. Our electronic devices segment targets three major end markets: smart electronics, robotics and enterprise servers. We support the fabrication of critical materials, components, modules and systems and solutions for customers in these fast-growing sectors, anchoring our role across the full spectrum of next-generation electronic devices.

Smart Electronics

We have established a strong position in the smart electronics sector. According to Frost & Sullivan, we ranked third among global high-precision intelligent manufacturing platforms for smart electronics, in terms of revenue in 2025. Our vertically-integrated product portfolio, global manufacturing network and advanced R&D capabilities enable us to deliver high-performance solutions that meet evolving customer requirements. This integrated model not only enhances our speed to market and quality control, but also enables us to respond swiftly to demand shifts and innovation cycles. As we continue to expand our product portfolio and deepen strategic partnerships, we are well-positioned to capture new growth opportunities and drive long-term value across our business.

The following diagram illustrates our business coverage in smartphones:



Foldable Devices

Leveraging expertise in advanced materials and precision manufacturing, we provide a comprehensive portfolio of core components for foldable devices, widely adopted in dual-fold smartphones and foldable tablets. Through lightweight design paired with structural strength, we empower customers to accelerate the commercialization of next-generation foldable products.

The following table sets forth an overview of our key foldable device-related hardware:

Product	Application	Key Features
Stainless Steel Support Plate . . **Titanium Alloy Support Plate** . . **Carbon Fiber Support Plate – Smartphone and PC**	As the core structural component of foldable displays, the support plate integrates multiple functional elements within a multi-material design that delivers diverse performance while reducing assembly costs	• Depending on the material of the support plate, multiple processing techniques can be applied to the bending areas, including laser, chemical, and physical methods • T700/T800/M40 grade carbon fibers provide enhanced performance • Substantial weight reduction and better performance than stainless steel • The carbon fiber physical vapor deposition (“PVD”) process reduces thickness

Thermal Management Products and Solutions (Smart Electronics)

Leveraging copper, stainless steel, aerospace-grade titanium alloys and innovative composite materials, we continue to advance VC thin-profile design and performance. We supply global technology leaders with core thermal management products, including stainless steel VCs, composite VCs, aerospace-grade titanium VCs and 3D dual-heat-source VCs. In addition, we provide integrated thermal management solutions for smart electronics. Our thermal management products and solutions maintain stable operating temperatures for enhanced efficiency and reliability, delivering sustained performance and a seamless user experience.

The following table sets forth an overview of our key thermal management products for smart electronics:

Product	Applications	Key Features
Stainless Steel VC	VCs made from new materials reduce weight and thickness while maintaining strength, and are used in high-end smartphones and other AI-enabled devices to lower chip temperature and prevent performance degradation	• Superior strength of stainless steel, achieving significant weight and thickness reduction compared with traditional copper VC
Steel-Copper Composite VC .		• First VC design integrating the smartphone mid-frame and VC into a single component • Integrated VC and mid-frame, significantly enhancing overall system heat dissipation and structural strength
Aerospace-Grade Titanium VC . .		• Ultra-high specific strength and lightweight properties, much lighter than copper and stainless steel under the same structural design
3D Dual-Heat Source VC	Applied in flagship smartphones for top domestic brands to cool both the SoC and camera module	• Extra-large dual side wings and surface providing expanded heat dissipation area and improving heat dissipation efficiency significantly • 3D raised structures improving heat transfer efficiency • Dual-loop ring pumps enabling independent cooling for both the SoC and the camera module

Hardware for AI Glasses and XR Devices

We are deeply engaged in the field of AI glasses, XR devices and wearables, focusing on the R&D of core components and technologies for AR, VR, MR, and AI-enabled devices. With keen insight into the evolution of smart electronics, we provide global technology leaders with key parts such as soft functional components and injection-molded parts. By working closely with smart electronics brands, we enhance our industry competitiveness and accelerate the adoption of next-generation wearable technologies.

The following diagram illustrates the end-product categories in AI glasses and XR devices supported by our products:

The following table sets forth an overview of our key products for AI glasses and XR devices:

Product	Application	Key Features
AI and AR Glass-related Products	We provide lightweight AI and AR glass-related products and assembly services to customers	• Adjustable hinge for personalized fit • Metal insert molding for structural strength
VR Headset Covers	A high transmittance product for VR headsets	• Rich color options and enhanced visual clarity • 20-layer film stack for multi-angle, multi-band transmission • High surface precision meeting strict environmental tests
XR Components .	Wearable components supplied to XR customers	• Strong, flexible structures for wearable applications • Advanced manufacturing technologies including flexible material integrated hot and cold press molding technology, automated edge wrapping and multi-layer bonding, heteromorphic forming and self-developed thermal cutting technology, and 5-axis laser cutting and dispensing systems
XR Wireless Charging Module	Wireless charging module for XR devices	• Adaptive coupling design method and waterproof and dustproof design • Low-power standby and coil selection logic
Wireless Earphone Component and Structural Components . . .	Precision hinge for wireless earphone shells and structural earphone components providing appearance and functional support	• Enables smooth opening, closing and rotation • Supporting complex structures in compact space with high mold precision • 3D cooling channel design

Imaging and Displays

We are a leading provider of imaging and display components and modules, committed to delivering products that combine advanced functionality, refined design and reliable quality. Our products have been incorporated into multiple flagship smartphones of global technology leaders, and we continue to evolve our offerings in tandem with our customers' product iterations to meet growing demand for superior imaging performance. Our precision functional components are widely used in smartphones and are increasingly expanding into other smart electronics. We also supply advanced display-related modules that serve as critical interactive interfaces for intelligent devices. Our products are designed to enhance the overall user experience across smartphones and tablets. By focusing on quality and reliability, and by closely collaborating with customers on development and iteration, we are able to strengthen product differentiation and enhance competitiveness in the marketplace.

The following table sets forth an overview of our key products for imaging and displays:

Product	Application	Key Features
Smartphone Top Module	Core modules for smartphone displays	• Strong impact resistance and waterproof • High-precision lamination and curing ensure dimensional accuracy and structural strength
Smartphone Camera Module	Structural component securing the camera module	• Vibration prevention for stable imaging performance • Control of high thin-wall flatness

Sensors and Sensor-related Components and Modules

We are engaged in the development and production of precision components and modules for sensors, serving diversified smart electronics, including smartphones, laptops and keyboards. By combining advanced materials, automated manufacturing processes and strict quality control, we deliver reliable, high-performance products that enhance device functionality, durability, and user experience.

The following table sets forth an overview of our key sensors and related components and modules:

Product	Application	Key Features
Keyboard Module	A key module for laptop	• High assembly precision and durability, end-to-end one-stop processing with no intermediate steps
Laptop Touch Module	Touch panel module supporting multi-touch gestures and pressure-sensitive interaction	• Enables realistic haptic feedback • 3D Touch technology with linear motor vibration simulation • Precise differential control

Power Supply (Smart Electronics)

Our power supplies for smart electronics are engineered to deliver consistent, efficient and long-lasting performance across a wide range of electronic devices. The following table sets forth an overview of our key power supplies:

Product	Application	Key Features
Miniaturized GaN Charger	Fast charger for laptops, tablets, and smartphones	• Applied across multiple devices, meeting PD3.1 standard for latest laptop fast-charging • Compact size with wide-voltage input, hybrid transformer design combining planar high-frequency performance with traditional winding compactness • Thermal simulation optimized for temperature control • Simplified structure using one mainboard and one daughter card for standardized, stable production
High-Power Adapter	Power supply for computers and other terminals	• Multi-port PD charging with dynamic current allocation • Planar transformer design for improved efficiency and EMC shielding • Flat-wire inductor winding for stable impedance and efficient filtering performance

Materials

We are committed to the advancement of composite and functional materials that are critical to the performance, reliability and miniaturization of next-generation smart electronics. Our capabilities span research, design and large-scale production of high-precision materials essential to smart electronic manufacturing, including carbon fiber composites, protective films, foams, tapes and magnetic materials. These materials are functionally categorized into three primary types: (i) electronic functional materials, which possess physical properties such as electrical, magnetic, acoustic, optical and thermal characteristics and are directly involved in signal detection, transmission and processing, (ii) composite materials, and (iii) process and auxiliary materials, which are integral to the manufacturing workflows of smart electronics components and substrates.

Among these, carbon fiber composite materials represent a core strategic material with irreplaceable applications across smart electronics, including XR devices, foldable smartphones and smart mobility. Carbon fiber composites are increasingly replacing conventional metal materials in structural components due to their superior strength, corrosion resistance and ability to enable integrated molding. These materials combine the high-performance characteristics of carbon, including high tensile strength, low density and high stiffness, with the flexibility and plasticity of textile fibers.

Robots

Building on years of experience in precision manufacturing, we have developed comprehensive capabilities across the full robotics value chain, from the R&D of core components to the assembly and testing of robotic systems. In addition to external sales, we deploy our robots on our production lines to enhance internal manufacturing efficiency and precision. With a growing portfolio of robotics-related patents and proven industrial application experience, we are well-positioned to capture emerging growth opportunities in the robotics sector. Our current robot portfolio includes two major product lines, humanoid robots and robotic components and modules.

Pan Shi *Ling Long* *Ling Yue* *Xing Zhe*

Humanoid Robots

Our humanoid robot business combines independent development and manufacturing of core components and functional modules with assembly services for humanoid robots in collaboration with leading industry partners. We maintain in-house capabilities for key components such as reducers, joint modules, dexterous hands, motors, sensors, thermal management and charging systems, enabling us to support the large-scale commercialization of humanoid robotics and capture value across the supply chain.

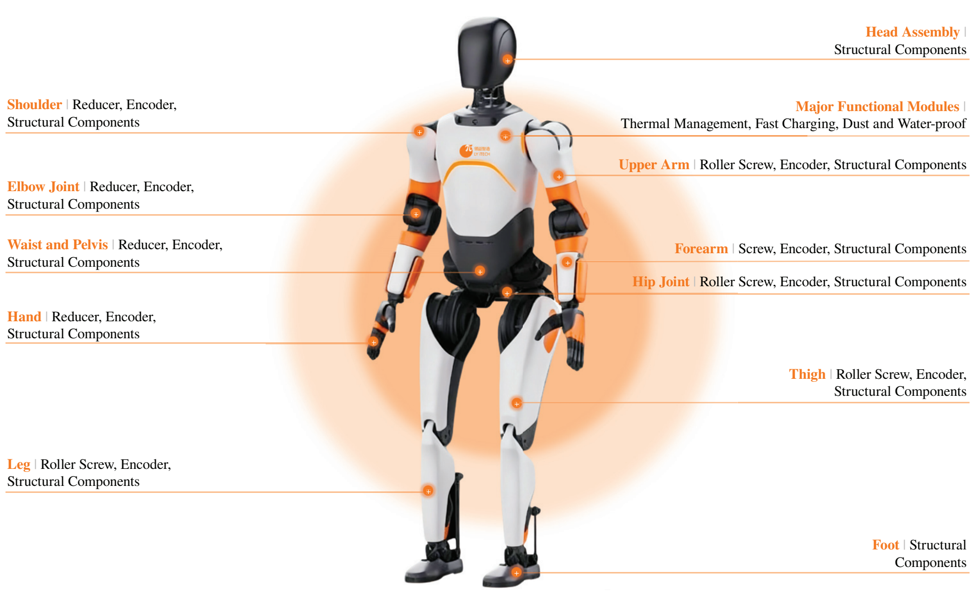
The following table sets forth an overview of our key humanoid robots:

Robot Series	Application	Key Features
Ling Long **(Winner of World Humanoid Robot Games in Sorting & Handling)**	Precision handling (trays, jigs, small products), electronics assembly and AOI	• Compact and lightweight design enabling high-speed and agile motion • High dual-arm payload • High single-arm repeat positioning accuracy

Robot Series	Application	Key Features
***Pan Shi* (Winner of World Humanoid Robot Games "Material Organizing" competition (third place))** . .	Heavy-duty logistics for palletizing and large boxes, industrial processing and heavy assembly	• Industrial-grade strength with stable and reliable performance • High dual-arm payload • High repeat positioning accuracy • Equipped with laser radar navigation
Ling Yue	Industrial assembly, inspection, service scenarios including household chores, cooking and cleaning	• Multi-scenario adaptability with faster motion speed for rapid response • Natural human-robot interaction • 3D vision and robotic visual guidance with high accuracy • Voice module and face recognition for natural interaction • Equipped with laser radar navigation
Xing Zhe	Commercial exhibitions, reception, enterprise knowledge services, retail and production scenarios	• Customizable size and gestures and action reinforcement learning platform • Voice module and face recognition with multi-language support • Self-developed 7-axis humanoid arms with dual-arm coordination • Anti-fall design and obstacle avoidance for safety

Robot Components and Modules

The following diagram illustrates our product offerings in robots:



The following table sets forth an overview of our key components and modules for robots:

Product	Application	Key Features
Planetary Roller Screw	Converts rotary motion to linear motion in humanoid joints and actuators	• High load capacity • Uses threaded rollers for smooth motion transfer • No relative axial displacement between rollers and nut/screw, with rollers circulating repeatedly in closed space • Motion and power transmitted via rolling/sliding friction

Product	Application	Key Features
Harmonic Reducer	Widely used in industrial robots under 10kg load	• Operates stably in sealed or radiation environments • Multi-tooth engagement at 180° positions for high accuracy • Significantly reduced volume and weight compared with conventional reducers • Low relative sliding speed ensures stable load capacity
CSV Reducer . . .	Advanced RV-type reducer for Delta, selective compliance assembly robot arm ("SCARA") and six-axis robots	• Compact structure with low noise • High precision with high-accuracy bearings • Full engagement of pins and cycloid gears for rigidity
Humanoid Robots Joint Modules .	Multiple flagship products providing full motion coverage for humanoid robots	• Lightweight design • High durability and impact resistance • Deeply customized bearings • Hollow structure for internal wiring
Dexterous Hand (3C Precision) .	Humanoid robot end-effector, designed for 3C precision manufacturing scenarios such as loading and unloading, product inspection, packaging, and precision assembly, enabling human-like hand operations.	• Lightweight, high freedom (16 DOF) and human-like design • Finger control accuracy with long service life • Standardized interface compatible with mainstream humanoid robots and cobots
Coreless Motor . .	Drives dexterous hands and high-precision parts across robots, medical devices, industrial automation and smart electronics	• High power density • High efficiency with fast response • 46 precision components with strict dimensional tolerances
Force Sensor	Installed at joints or end-effectors for safe gripping and manipulation	• High sensitivity • Ensuring safe and precise operation • Real-time measurement of applied force and torque
Six-Axis Robotic Arm Joint Modules	Enabling rotation, bending, and extension of the arm	• Providing a full range of essential modules for six-axis robotic arms, covering forearm and rear arm joints, base and upper arm drive shafts, wrist mechanisms, end rotation shaft, and joint base
Thermal Management Module	Cooling for AI processors and joints	• Ensures stable performance • Dual VC and hotspot integration design • Improved GPU cooling • Reduced CPU delta

Enterprise Server Hardware

We have established a strong position in enterprise servers through our long-standing expertise in thermal management and power management, together with our capabilities in precision manufacturing and product solutions. We deliver high-performance components and modules that meet the stringent demands of global data centers and enterprise systems. Our vertically-integrated operations, spanning advanced materials development, automated manufacturing and quality assurance, enable us to deliver scalable, energy-efficient and highly reliable solutions.

Thermal Management (Enterprise Servers)

We deliver advanced thermal management products and solutions for GPUs and CPUs in enterprise servers. With proprietary heat pipe and VC technologies, we supply thermal management modules for high-end GPUs of leading computing companies and used the Feather-Copper Bionic Nano Cooling for lightweight, high-efficiency performance. Our latest innovation, the multi-axis cavity thermal management module Big MAC, outperforms traditional 3D VC solutions under high power density while reducing costs and improving production efficiency.

The following table sets forth an overview of our key thermal management products and solutions for enterprise servers:

Product	Applications	Key Features
GPU Thermal Module	Applied in AMD RADEON RX9070XT	• Designed to support power consumption requirements for mid- to high-end AI inference and graphics processing applications • Equipped with multiple heat pipes and reinforced fin structures to effectively handle sustained high-load operation, suitable for edge smart electronics and professional workstations
Liquid Cooling Thermal Module	Providing cooling solutions for leading customers	• High liquid-cooling heat transfer efficiency capable of reliably removing nearly one kilowatt of heat • Manufacturing process validated for airtightness and reliability
High-Performance GPU Cooling Solution	Designed for high-end GPUs to ensure rapid heat transfer and stable cooling performance	• Maintaining optimal GPU performance during high-power operations • Providing consistent cooling in both horizontal and vertical setups • Feather-Copper Bionic Nano Cooling with precisely-controlled copper fiber diameter and length for effective heat dissipation • Stronger capillary force and permeability with stable heat dissipation under sustained heavy load
Big MAC – Multi-Axis Cavity Cooling Component . . .	Applied to high-density components in servers and electronics	• Cost-effective alternative to 3D VC • Multi-axis cavity design enabling heat conduction for high-density components • Applying optimized assembly process, reducing material and manufacturing cost significantly • Adopting process automation, shortening lead time and improving yield
GB200/GB300 Liquid Cooling Modules	Qualified for supply to a leading North American computing customer for direct-contact liquid cooling of GPUs/CPUs, enabling efficient heat exchange and stable cooling performance	• Direct-contact liquid cooling for GPUs/CPUs • Low thermal resistance and high heat exchange efficiency • Stable and efficient cooling solution for high-density AI servers • Optimized flow path design with high flow rate and low pressure loss
Liquid Cooling UQD/MQD . . .	Qualified for supply to a leading North American computing customer, serving as core connecting components for high-density liquid cooling systems used in high-computing-power servers, with straight, angled and mini structural forms	• Compatible with customers' cold plate and manifold liquid loop platforms • MQD with manual locking mechanism and foolproof design • Supports high-density cooling connections and efficient hot swapping
Inner Manifold . .	Qualified for supply to a leading North American computing customer, designed as core liquid loop distribution units within trays to enable precise coolant distribution	• Modular integrated manifold design • Precision blind-mate quick disconnects and optimized internal flow channels • Even coolant distribution across multiple GPU/CPU cold plates • Low thermal resistance, low pressure drop and zero leakage • Dual parallel architecture for balanced rack-level flow distribution
Rack Manifold . .	Designed to connect cooling loops with each server through liquid cooling pipelines and enable rapid mainline-to-branchline connection through quick disconnects	• High-density blind-mate quick disconnect array • Low flow resistance, high reliability and zero-leakage protection

Product	Applications	Key Features
Power Busbars . .	Busbars, including flexible copper busbars and gold-plated copper busbars, designed for high-current power transmission and distribution in server power systems to enable high-efficiency and low-loss power transmission	• High-purity copper base material with high conductivity and current-carrying capacity • Product-specific designs for different power transmission requirements • Precision stamping, bending and surface plating processes • Flexible compensation capability for thermal expansion and assembly tolerance changes

Power Supply (Enterprise Servers)

We are engaged in the development and production of advanced power supplies for enterprise servers, serving data centers and servers. With expertise in high-efficiency power conversion and miniaturized design, we deliver reliable, high-performance products that enable higher power density, improved energy efficiency and long-term operational stability.

The following table sets forth an overview of our key power supplies for enterprise servers:

Product	Application	Key Features
kW-Level High-Power Cabinet .	Power supply and monitoring cabinets for electrolysis and grid connection	• Modular, scalable design supports multiple alternating current ("AC") standards, enabling power from kW to MW • Supports industrial, transport and energy applications • LPC AC-DC module provides ancillary grid services • DCDC module fine-tunes hydrogen production • LTC cabinet enables remote monitoring and UPS backup

Precision Assembly Solutions

Our premium assembly solutions transform upstream components into high-quality finished products through precision engineering and automated production processes. With comprehensive capabilities in structural design, advanced manufacturing and integrated assembly, we adopt cooperation models including OEM, original design manufacturer ("ODM") and joint design manufacturing ("JDM") to provide premium assembly solutions to leading global brands across smartphone, tablet, laptop, AI glasses, XR device, wearable device and robotic sectors.

The following table sets forth a summary comparison of our respective roles in product design, development and intellectual property arrangements under these three cooperation models:

Aspect	OEM	ODM	JDM
Product Design . .	We manufacture according to customer specifications	We conduct product design based on customer requirements	We and the customer jointly conduct product design through collaborative development
Product Development . .	We are responsible for manufacturing process development and engineering optimization	We lead the product development process, including structural design, engineering development and sample validation	We and the customer jointly conduct product development, with both parties participating in R&D planning and technical development

Aspect	OEM	ODM	JDM
Ownership of Newly Developed IPs	Typically owned by the customer	Generally allocated based on contractual arrangements	Generally allocated based on contractual arrangements. In some cases, the IP may be jointly owned by us and the customer or allocated according to contribution.
Level of Our Involvement	Low to moderate (manufacturing-focused)	High (design- and development-led)	High (collaborative development and shared technical input)

The contractual terms for premium assembly solutions are negotiated on a case-by-case basis depending on product complexity, development stage, customer requirements and commercial considerations. A single customer may adopt different cooperation models for different products under the same master or framework agreement. Through end-to-end vertical integration and advanced manufacturing processes, combined with supply chain integration and large-scale automation, we deliver reliable, scalable and design-driven services that support customer growth in production, design and R&D.

Automotive and Advanced Air Mobility

Our automotive and advanced air mobility business focuses on high-precision structural components and advanced lightweight materials that support the rapid growth of NEVs and emerging aerial mobility.

In the automotive sector, we have established a comprehensive portfolio of power battery structural components, including prismatic and cylindrical cell housings (steel and aluminum), top covers, cover plates, explosion-proof valves, positive and negative soft connections, busbars, flexible connectors and injection-molded parts. These products perform critical functions such as energy transmission, electrolyte containment, safety protection, structural support and exterior finishing, while offering connectivity, shock resistance, heat dissipation, corrosion resistance, anti-interference and anti-static properties. We are also expanding our presence in automotive drivetrain components in response to the industry's ongoing transition toward lightweighting, electrification and intelligent mobility. Leveraging our core technologies, including welding and rotary-forged hollow tube solutions, we are able to achieve significant weight reduction in transmission system components while maintaining high strength and reliability.

In the advanced air mobility sector, we have achieved a breakthrough in carbon-fiber rotor blade technology, adopting thermoset unidirectional carbon fiber combined with a lightweight sandwich structure. This innovation significantly reduces blade weight while enhancing strength, rigidity, stability and resistance to harsh environments, and has already been applied in agricultural and transport aerial vehicles for leading customers. Combining advanced materials, structural innovation and precision manufacturing, we are building a differentiated competitive advantage in both automotive and advanced air mobility markets.

The following table sets forth an overview of our key products for automotive and advanced air mobility:

Product	Application	Key Features
Power Battery Housing	Providing fixation and full sealing for NEV electrochemical systems	• High strength, corrosion resistance, thermal and electrical conductivity • Lightweight design reduces overall battery weight • Automated loading and unloading
Power Battery Busbar	Connects battery top cover terminals with internal cell tabs in NEV batteries	• Excellent conductivity
Power Battery Top Cover	Critical NEV battery component providing sealing and electrical terminal function	• Over-pressure, explosion and over-current protection • High strength and hardness with reduced thickness, withstanding mechanical stress and vibration • Proprietary patented structure avoids aluminum wire debris
Carbon Fiber Rotor Blades . .	Lightweight, high-strength propellers for low-altitude aerial vehicles	• Lightweight, strong, stable under harsh conditions • Rapid heat cycle molding • Precision ply design for low-cost, high-strength blades • Thermoset unidirectional carbon fiber with sandwich design
High-efficiency Aircraft Charging System	Suitable for large low-altitude aircrafts	• Wide-range single-phase input and stable high-power DC output with continuous operation • High efficiency under typical load conditions and incorporates comprehensive protection features against various charging abnormal events • Reliable performance across a broad operating temperature range
Drive Shaft Assembly	Transmitting power from the engine or electric motor to the drive wheels while accommodating steering and wheel travel	• Lightweight and high-efficiency joint design • Hollow shaft structure for reduced weight • Enhanced NVH performance for smoother driving
Propeller Shaft . .	Transmitting power from the transmission to the rear differential through rotational motion	• Durable interface design for high-load conditions • Stable welding quality and structural reliability • Dynamic balancing for lower vibration and noise
Instrument Panel Assembly	Serving as a core interior module integrating safety, vehicle control and passenger comfort functions	• Integrated passive safety and airbag carrier functions • Advanced decorative finishing technologies • Lightweight and sustainable material solutions • Smart electronic integration for enhanced cabin functionality
Door Trim Panel Assembly	Serving as a highly integrated interior module on the inner door, combining safety, functionality, comfort and user interaction	• Highly integrated modular design • Lightweight construction with efficient assembly • Advanced decorative surface treatment technologies • Smart electronic integration for enhanced user functionality

Other Applications

Beyond our core businesses in electronic devices and automotive and advanced air mobility, we have established additional offerings that extend our precision manufacturing and system integration capabilities into high-growth sectors. These businesses demonstrate the scalability of our technology platform and our ability to capture opportunities across diversified markets.

As a representative example, our clean energy business focuses on contract manufacturing services for micro photovoltaic ("PV") inverters, serving energy technology companies. We have strong capabilities in production assembly and product design, enabling us to flexibly and efficiently adjust designs to meet customer specifications and delivery schedules. Our micro-inverter products feature fully digital control, scalability for higher power output, waterproof functionality and compliance with applicable safety requirements. Powered by proprietary MPPT technology, they deliver high conversion efficiency, reliability and long service life. Leveraging our expertise in lean, automated and intelligent manufacturing, we have become a trusted partner for global well-known customers in the photovoltaic sector.

OUR BUSINESS PROCESS

We maintain a flexible business model and ensure agile response to customer needs. Through cross-departmental collaboration across sales, engineering, production and quality control, we address customized requirements in a cost-efficient manner while maintaining high quality standards. We work closely with our customers throughout the entire business cycle, providing technical expertise and industry insights at every stage.

Our business process generally involves the following stages:

- *Market Insight and Demand Definition:* Leveraging our modular platform, deep domain expertise and proprietary technology, we proactively identify industry trends and customer pain points. By analyzing technological developments and combining them with customers' product roadmaps, we provide professional advice on product design direction and material selection.

- *Solution Design and Technical Proposal:* Based on identified requirements, we develop innovative or optimized solutions, including new product development or process improvements. Our engineering and R&D teams collaborate with customers to define specifications, ensure manufacturability and balance cost-performance through multiple simulation scenarios.

- *R&D and Design Verification:* We utilize advanced tools for full lifecycle management of design data, reducing trial-and-error costs. We produce prototypes and conduct reliability testing and certification validation to ensure product performance and compliance.

- *Manufacturing and Delivery:* Our production system, supported by manufacturing execution system ("MES") and AOI technologies, enables seamless transition from prototyping to mass production. Real-time process monitoring ensures transparency, on-time delivery and consistent quality across complex, multi-process manufacturing lines.

- *After-sales Service:* Beyond delivery, we provide technical support and after-sales services to assist customers in product application and performance optimization, ensuring long-term customer satisfaction.

OUR GLOBAL PRESENCE

As of December 31, 2025, we had 80 regional hubs, including 64 in Chinese Mainland and 16 located overseas. This global footprint enables us to leverage local talent and technological advancements, provide close support to customers in diverse markets, allocate R&D and production resources dynamically and deliver solutions aligned with evolving customer needs.

The following diagram illustrates our presence in key regions:

As of December 31, 2025, we served over 4,000 customers across over 30 countries and regions. After years of cooperation, we have formed long-term and stable relationships with the customers we serve, and we have become strategic partners with many of our major customers. By providing equipment support and discussing design concepts together, we have been involved in the early product development stage of our major customers. They would also discuss with us product R&D, manufacturing process design, production site planning, R&D personnel, project management and other aspects two to three years before demand for mass production crystallizes, so as to reach a stable and win-win strategic partnership. Apart from the solid and long-term business relationships with major customers, we actively expand our new customer bases through various marketing strategies.

The following table sets forth the breakdown of our revenue by geographic areas for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Chinese Mainland	**24,055,770**	**70.4**	**27,506,969**	**62.1**	**27,528,495**	**53.5**
Overseas						
– Asia (excluding Chinese Mainland)[(1)]	3,998,832	11.7	9,629,757	21.8	12,963,885	25.2
– North America[(2)]	3,678,302	10.8	5,137,676	11.6	8,759,688	17.0
– Europe[(3)]	1,706,453	5.0	1,272,497	2.9	1,294,607	2.5
– Others[(4)]	714,660	2.1	712,634	1.6	882,269	1.8
Subtotal	**10,098,247**	**29.6**	**16,752,564**	**37.9**	**23,900,449**	**46.5**
Total	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**

Notes:

(1) Primarily includes India, Vietnam, Hong Kong and Taiwan.

(2) Primarily includes the United States.

(3) Primarily includes the United Kingdom, Turkey, Ireland and Germany.

(4) Primarily includes Brazil.

MANUFACTURING

Intelligent Manufacturing

Building upon years of technological accumulation in CNC and automation equipment, we have established a digital, intelligent manufacturing system that deeply integrates AI, robotics and automation technologies into industrial production solutions. Leveraging our self-developed multi-category, multifunctional CNC and automation equipment, we are committed to developing intelligent production workshops and modern smart factories that are internationally competitive and featuring a high degree of automation, operational efficiency and manufacturing intelligence.

Our intelligent manufacturing philosophy centers on the "One Core, Four Transformations" strategy, with technology as the central driver and a disciplined focus on lean management, digitalization, automation and sustainability. Through the continuous integration of AI and collaborative robotics into our production systems, we have realized end-to-end automation covering manufacturing, transportation, inspection and packaging. These efforts have significantly lowered production costs, enhanced operational flexibility and precision, and strengthened our capability to rapidly respond to customer demands and product iteration needs.

In parallel, we actively invest in the R&D and application of frontier robotics technologies, continuously upgrading our intelligent production solutions. By embedding AI-driven control algorithms and robotic innovation into key manufacturing nodes, we have strengthened our smart automation capabilities across process control, data analytics and adaptive optimization. This enables us to maintain a high degree of automation and precision throughout the production lifecycle, from raw material input to finished product output.

Robotic Solutions for Automated Manufacturing

As part of our manufacturing operations, we have integrated a diverse range of robotic solutions to drive automation, efficiency and digital transformation across production lines. Leveraging our self-developed control systems and long-standing expertise in automation, these robots are deployed both for our own automated production needs and for customer applications. Since 2008, we have engaged in the R&D and manufacturing of automation equipment for the smart electronics industry, with our products applied to major customers' production lines since 2009.

Over time, we have introduced multiple product series, including the Delta robot "*Banjiu*" launched in 2009, the "*Little Q*" robot launched in 2015, the "*Double D*" and "*Qiaoshou*" robots launched in 2018, and the bionic dual-arm robot "*Youjia*" launched in 2023, which was later upgraded to a wearable exoskeleton teaching device in 2024. These robotic solutions are widely applied in industrial production environments to enhance automation, improve efficiency, reduce labor intensity and support the digital transformation of manufacturing.

The following graphics sets forth our self-developed industrial robots:

"*Youjia*" Bionic Robot

"*Little Q*" Robot

"*Qiaoshou*" Robot

"*Double D*" Robot

"*Xiaoma*" Robot

"*Banjiu*" Robot

Our Manufacturing Process

We adhere to the spirit of craftsmanship, placing refined production and quality control at the core of our operations. We strictly manage every stage of the manufacturing process and have established industry benchmarks in quality, process and technology. To meet the customized procurement needs of internationally-renowned smart electronics brand customers and their designated upstream suppliers, we primarily adopt a "make-to-order" production model. This enables us to formulate reasonable production schedules in accordance with customer requirements and ensure efficient and timely delivery.

In the course of manufacturing, we rely on automated production equipment, component batch traceability systems, AI-based optical inspection and centralized monitoring of order materials through our Enterprise Resource Planning ("ERP") system to achieve multi-dimensional data analysis and optimize resource allocation. We have also developed proprietary MES and WMS platforms, which enable multi-system interaction, equipment interconnection and standardized factory management, thereby improving efficiency and reducing costs.

We continue to invest in R&D resources and advanced production equipment to enhance innovation in precision mold design, materials application and production processes. At the same time, we closely monitor frontier technologies in robotics, integrating AI and robotics R&D into our automation solutions. Supported by our self-developed CNC and automation equipment, we are committed to building intelligent production workshops and modern smart factories.

Manufacturing Plants

The following table sets out the capacity information of our manufacturing plants by geographical location and application scenario for the years indicated:

	As of/for the year ended December 31,		
	2023	**2024**	**2025**
Number of plants	44	44	63
China	37	37	55
Asia (excluding China)[(1)]	3	3	4
America[(2)]	2	2	2
Others[(3)]	2	2	2
Smart Electronics			
Products (pcs)[(6)]			
Production capacity (pc in thousands)	54,765,945	58,829,501	69,616,857

	As of/for the year ended December 31,		
	2023	2024	2025
Production volume (pc in thousands)	43,519,233	50,129,682	60,129,967
Utilization rate(4)	79.5%	85.2%	86.4%
Products (sets)(7)			
Production capacity (set in thousands)	79,693	52,475	44,449
Production volume (set in thousands)	84,979	55,137	46,632
Utilization rate(4)	106.6%(5)	105.1%(5)	104.9%(5)
Products (tons)(8)			
Production capacity (ton)	250,819	252,425	231,828
Production volume (ton)	299,395	306,166	295,597
Utilization rate(4)	119.4%(5)	121.3%(5)	127.5%(5)
Automotive and Advanced Air Mobility(9)			
Production capacity (pc in thousands)	1,113,791	1,360,686	2,124,413
Production volume (pc in thousands)	805,565	1,286,385	1,670,069
Utilization rate(4)	72.3%	94.5%	78.6%

Notes:

(1) Including India and Vietnam.

(2) Including Brazil and the United States.

(3) Referring to France and Turkey.

(4) The utilization rate represents the total production volume divided by the production capacity.

(5) The production capacity is calculated assuming the operation of 20 hours per day for six days a week. The utilization rate exceeded 100% as we increased the shift arrangements of manufacturing staff to meet production targets and fulfill the market demand for products, resulting in the production volume exceeding the production capacity.

(6) Mainly represent components and modules for sensors, XR wearables, and imaging and displays.

(7) Mainly represent thermal management related products. All products are manufactured in China.

(8) Mainly represent materials. All products are manufactured in China.

(9) All products are manufactured in China.

Our manufacturing footprint is primarily anchored in China, which serves as our core and most diversified production base, supporting a broad range of electronic devices, including imaging and display, materials, thermal management, sensors and related components and modules, precision assembly and AI glasses and XR devices, as well as our offerings used for automotive and advanced air mobility industries. Outside China, our overseas manufacturing plants primarily operate as complementary and more specialized production bases. Our Brazil facilities focus mainly on battery and power supply products, our Vietnam facilities primarily manufacture materials and undertake related precision assembly, and our India facilities produce battery and power supply products as well as selected imaging and display products. Overall, while certain product lines are supported by multiple regions, China remains the principal hub with the broadest product coverage and manufacturing capabilities.

The following table sets forth the capacity information of our smart-electronic-related products in pieces by major geographical locations:

	For the year ended December 31,		
	2023	2024	2025
Production capacity (pc in thousands)			
China	54,290,786	58,401,975	68,785,339
Asia (excluding China)	455,250	407,246	808,345
America	19,909	20,280	23,173
Production volume (pc in thousands)			
China	43,117,342	49,749,951	59,543,613
Asia (excluding China)	384,298	358,699	561,396
America	17,593	21,032	24,958
Utilization rate			
China	79.4%	85.2%	86.6%
Asia (excluding China)	84.4%	88.1%	69.4%
America	88.4%	103.7%[(1)]	107.7%[(1)]

Note:

(1) The utilization rate exceeded 100% as we increased the shift arrangements of manufacturing staff to meet production targets and fulfill the market demand for products, resulting in the production volume exceeding the production capacity.

We are currently constructing two manufacturing plants in Shenzhen and Dongguan, Guangdong Province, as part of our strategy to increase the proportion of manufacturing capacity at our self-owned plants, thereby enhancing our ability to manage and control manufacturing and operating costs. Our Shenzhen manufacturing plant has completed the main construction works in 2025 and is undergoing interior fit-out. Production lines and equipment have not yet been installed. It is expected to start mass production in the second half of 2026. Our Dongguan manufacturing plant has completed its first phase of construction and is expected to start mass production in the second half of 2026. The second phase of construction is expected to be completed in the first half of 2026. Following the installation of production lines and equipment, the mass production is expected to commence in the second half of 2026. The third and fourth phases of construction are expected to be completed in 2027.

Production Machinery and Equipment

Our manufacturing facilities are equipped with advanced machinery and high-quality auxiliary systems that support a wide range of production processes, including die-cutting, stamping, CNC machining, welding, polishing and precision testing. Core equipment includes die-cutting machines, circular cutters, punches, laser welding machines and CNC machine tools. We own over 99% of the machinery and equipment used in our production processes, a majority of which is sourced from reputable suppliers in Chinese Mainland, Japan and Germany. We maintain multiple supplier relationships for our manufacturing equipment to avoid reliance on any single source. Our long-term partnerships ensure a stable and reliable supply chain.

In addition to third-party-sourced production equipment, a key differentiator in our operations is our ability to develop and produce specialized automation equipment in-house, including automated auxiliary material lamination machines, copper nail riveting machines, copper shrapnel welding machines, automated assembly lines and automated inspection equipment for structural components. These systems perform high-precision tasks such as lamination, riveting, spot welding, touch testing and structural assembly, significantly improving production yield and operational efficiency. During the Track Record Period, such automation equipment accounted for 12.8%, 13.0% and 15.9% of the carrying amount of the addition of our machinery and equipment, respectively.

To meet evolving customer requirements and maintain cost efficiency, we continuously upgrade and optimize our existing machinery through internal R&D and functional improvements. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major production disruptions due to equipment failure or process interruptions.

To enhance flexibility and access to the latest manufacturing technologies, less than 1% of our equipment is leased through operating leases. These leases grant us full usage and management rights, along with a pre-emptive right to purchase the leased equipment. This approach helps reduce fixed asset expenses while increasing equipment utilization and keeping pace with technological advancements.

OUR TECHNOLOGIES

We are, at heart, a technology-driven enterprise where our innovations extend beyond individual products to encompass integrated manufacturing solutions. We believe our true value lies in our technological strengths in automation, collaborative engineering and sustainability in manufacturing. These capabilities enable us to accelerate product innovation, transforming early-stage prototypes into scalable, market-ready solutions.

Our Core Technologies

AOI System with Real-Time Feedback and Adjustment

We have developed an AOI system with real-time feedback and adjustment based on proprietary hardware and software. Our AOI system incorporates deep learning algorithms and contour-based edge detection to identify defects with high accuracy, reducing both false acceptance and false rejection rates. The system is designed to achieve zero missed detection of functional defects and supports a non-contact inspection process. To accommodate products of different shapes, materials and reflective properties, we have designed a proprietary lighting system that allows for customized illumination solutions, including the use of filters, dark-field microscopy, variable angles and colors of lighting.

Integrated Die-Cutting Production Line

Our die-cutting production lines are designed to process multiple types of materials simultaneously, enabling the production of complex products with high efficiency. The production line incorporates two major technological innovations:

- *The nested cutting process* allows the waste material generated from producing large-sized products to be utilized for producing smaller-sized products in real time. This design enables a single material roll to be cut into two different shapes, thereby maximizing material utilization and reducing waste, while imposing higher requirements on quality control throughout the process.

- *Non-stop material change module* eliminates the need to halt production when replacing raw materials, waste rolls or finished product rolls. This breakthrough significantly improves equipment utilization, doubling the operational efficiency compared to conventional die-cutting equipment that requires downtime for material replacement.

In addition to these innovations, we have implemented a recycling and re-pelletizing process for resin-based raw material waste generated during conventional die-cutting. Through a process of crushing, pelletizing and film drawing, the waste material can be reused, reducing raw material consumption and supporting sustainable production practices.

High-Speed Precision Stamping Technology

High-speed precision stamping technology addresses one of the key challenges in stamping processes — achieving both high speed and high precision. This technology integrates advanced equipment, die processing, die design and intelligent control systems to enable efficient mass production of precision components while reducing the need for multiple die developments. Our high-speed stamping machines operate faster than conventional stamping presses, with stability ensured through specialized die design, precision die processing and a comprehensive maintenance system. To complement high-speed stamping, we have developed a high-speed packaging system that incorporates AOI for dimensional and appearance checks and adopts non-stop material change technology. The combination of high-speed stamping and high-speed packaging enhances overall production efficiency. This technology has been widely applied in the manufacturing of components for smart electronics, connectors and automotive parts, offering advantages such as reduced labor costs through one-operator-multiple-machine operation and improved production efficiency.

Continuous Stamping Production Line

Our continuous stamping production line is a highly automated and space-efficient manufacturing solution widely applied to small-sized stamped components and products requiring welding or lamination assembly. The line integrates multiple processes, including strip stamping, cleaning, welding, inspection and blanking, into a single continuous flow, with AOI inspection and tray packaging completed within the same area. The configuration of workstations can be flexibly adjusted according to product requirements. By connecting all processes through continuous strip feeding, the line eliminates intermediate storage and logistics, enabling real-time quality feedback and control, improving product consistency and reducing labor requirements.

The production line incorporates several technological innovations. We have developed a recycling cleaning system to reduce water and cleaning agent consumption during the cleaning process. Used water is collected through a dedicated pipeline and transported to a central treatment system for filtration before being recirculated back to the cleaning machines. In addition, a three-layer vertical cleaning machine improves cleaning efficiency by three times while reducing equipment footprint. This system significantly reduces water consumption, cleaning agent usage and floor space. Furthermore, we have introduced modular welding equipment to enhance the versatility of automation systems. When switching from one product to another, only partial modules need to be replaced, substantially reducing line changeover time, improving equipment utilization and lowering capital investment. The modular design concept has also been extended to inspection and packaging equipment, further improving standardization across the production line.

The continuous stamping line achieves a high level of automation, minimizes manual intervention and ensures consistent product quality. By integrating AOI inspection and packaging within the production flow, the system eliminates intermediate handling, reduces costs and enhances overall production efficiency.

Unmanned Green Anodizing Production Line

Our CNC workshop is equipped with AGVs and robotic systems to manage production flow in an orderly manner. AGVs automatically perform CNC loading and unloading operations by removing finished products from machines and replacing them with new workpieces under the guidance of data signals. AGVs also handle tool replacement and retrieval, with fixture loading and tool changes executed precisely under the production management system, significantly improving equipment utilization. In addition, our CNC intelligent workshop features an automated one-click measurement laboratory. Previously, each measuring machine required an operator to measure parts manually. With the upgraded one-click measurement technology, AGVs now perform automatic clamping for measurement, improving the utilization of inspection equipment. Upon completion, measurement data is automatically transmitted to the production management system for analysis, enabling automatic compensation of machining parameters, which shortens machine adjustment time and reduces technical resource requirements.

Our fully automated anodizing production lines are capable of real-time formula monitoring and chemical and wastewater recycling through a closed-loop cleaning system, significantly reducing water and energy consumption. The line integrates advanced recovery systems, including APU for sulfuric acid and DPU with evaporators for phosphoric acid, which stabilize process parameters, reduce acid consumption, lower production costs and minimize waste discharge. The anodizing workshop operates with a large number of AGVs running in synchronization to minimize human contact with products. AGVs interface with loading and unloading equipment during product transfer between production lines, and, together with robotic arms, complete the transfer of anodized products from the anodizing line to the automated loading and unloading line. The entire anodizing process has achieved automated loading, unloading, and turnover, ensuring higher product quality without manual intervention. Additionally, the green anodizing workshop has established a comprehensive environmental management system and actively reduces its carbon footprint through measures such as photovoltaic power generation and clean energy procurement, fulfilling our commitment to sustainability.

Humanoid Robot-Related Techniques

We have adopted advanced turn-milling and five-axis machining technologies to manufacture complex and high-precision components. Five-axis machining is an advanced CNC technology that enables simultaneous control of movement along the X, Y and Z linear axes and rotation around the A and B axes. This technology offers high flexibility and precision, making it suitable for producing complex parts with stringent dimensional requirements.

Turn-milling compound machining combines turning and milling operations on a single machine tool. This integrated approach allows multiple surfaces to be machined in a single setup, significantly reducing the number of clamping operations and setup time, thereby improving overall processing efficiency. These technologies are widely applied in the production of precision structural components for robotics and other high-end applications, ensuring accuracy, efficiency and cost-effectiveness.

RESEARCH AND DEVELOPMENT

Our R&D activities cover industrial design and performance development of products, precision module design and manufacturing processes, as well as automation and intelligent application technologies. We have established a three-tier R&D structure comprising the Industrial Research Institute, BG technology centers and BU product development centers, supported by five specialized centers, including thermal module R&D center, mechanical engineering R&D center, advanced materials R&D center, electromagnetic R&D center and modeling and simulation center. As of December 31, 2025, our R&D team comprised 7,935 personnel.

The Industrial Research Institute focuses on studying future industry trends, with an emphasis on innovative materials, simulation, thermal management and energy conservation. Through industry-academia-research collaboration, it provides BG and BU R&D centers with advanced technology reserves and future product research support. Leveraging our global R&D network and technological advantages, we actively participate in customers' early-stage design and development, offering customized solutions. For new product requirements, our R&D team initiates the development process, conducts sample trials for customer validation and, upon approval, formulates standard operating procedures and standard inspection procedures to facilitate mass production.

In addition to our product R&D system, we have established a Lean Digitalization Department that provides technical support for lean and digitally-enabled production. To promote our core lean manufacturing philosophy, the department delivers practical training and guidance, integrates IT-based digitalization that strengthens data visibility and organizes lean activities across BGs and BUs through the IE Center. By implementing "front-loaded lean" and "genetic engineering" methodologies, we streamline pre-production workflows, enhance equipment efficiency and reduce production costs. In 2025, we implemented over 8,000 process-enhancement projects and achieved cost savings equivalent to approximately 2.6% of output value.

The Lean Digitalization Department also operates four specialized training arenas focusing on lean management, digitalization, automation and sustainability, as well as a digital twin intelligent workshop for hands-on practice. As lean practices evolve, we are transitioning from traditional lean manufacturing to digitalized and intelligent production, implementing low-carbon and smart operations across our campuses and extending lean principles from production to design, R&D and enterprise-wide management.

OUR SALES

Our Sales System

We sell our products directly to our customers, and we do not have any external distributors. Our business center, including the business, product management and customer service departments, is responsible for developing new customers and securing product orders. Our business center consists of 1,193 personnel serving both domestic and overseas customers, most of whom hold business-related backgrounds and possess strong technical and industrial knowledge. For major overseas customers, certain members of our business center are based overseas, communicating directly with the technical teams of our customers for R&D and project progress in order to understand the overseas markets and to report to us on the needs of overseas customers on a regular basis. At the same time, we also communicate closely with their local teams based in the Chinese Mainland on production and after-sales services.

For key projects, we establish dedicated project teams to closely monitor customer requirements and maintain in-depth communication with customers across R&D, procurement and production functions. When a customer submits a purchase request, the project team promptly coordinates with relevant departments to conduct technical and overall project feasibility assessments, followed by preparation of the quotation. Once the customer accepts the quotation and the samples pass validation, we determine the order quantity after considering factors such as production capacity, pricing, quality and delivery schedule.

In addition, we adopt the customer focus team ("CFT") system for each of our end customer brands. Each CFT, led by dedicated team leaders and consisting of key members from the product management, engineering, quality and operation departments, ensures efficient communication and accurate service delivery. A CFT is formed when a customer initiates a new project, which would typically last for a number of years, covering the product's life cycle from design to mass production. During this period, the CFT provides the customer with one-stop service through centralized coordination of our resources from product design, sampling, mass production to quality assurance. As a CFT consists of members from different departments with full functions, proposals as to usage of our resources are formulated efficiently. Approval processes are also streamlined and only requests for significant amount of resources are escalated. The CFT system not only reduces communication costs but also strengthens responsiveness to customer demands, which supports higher customer loyalty. It has also contributed to our development of long-term cooperative relationships with major customers.

Pricing Policy

Our products are mainly customized according to customer orders. We generally determine the price of our products based on a variety of factors, including (i) complexity of the product both in terms of design and manufacturing, (ii) the costs of developing and manufacturing such products and our expected profit margin, (iii) quantity involved and (iv) competition.

In the event of significant increases or decreases in raw material costs and price fluctuations of raw materials, we reduce our risk exposure by communicating and negotiating with our customers to share the risks. Our price adjustment mechanism includes:

- For costs borne by us, we implement rigorous cost analysis and management practices, supported by quarterly price reviews. This ensures our pricing remains aligned with fluctuations in underlying costs. By closely monitoring market trends and cost drivers, we are able to make timely and transparent pricing adjustments when necessary.

- For costs borne by customers, we proactively engage with upstream suppliers to negotiate competitive pricing. Based on the outcomes, we prepare revised quotation proposals and share them with the relevant customers for their review and feedback, aiming to minimize any additional costs they may incur.

During the Track Record Period, we did not have any material disputes with customers regarding adjusted product prices under the price adjustment provisions.

MARKETING AND PROMOTION

We believe that consistently delivering high-quality products on time that meet and exceed our customers' expectations is the most efficient marketing approach for us. As such, our marketing revolves around two key approaches:

- *Expanding business with existing customers*. We introduce new products and solutions to our established customer base by identifying evolving customer requirements and emerging application scenarios. Leveraging our comprehensive intelligent manufacturing capabilities, including die-cutting, stamping, CNC machining, MIM and die-casting, we deepen cooperation with customers in sectors such as servers and robotics, thereby increasing customer penetration and securing recurring orders.

- *Sourcing new customers in targeted industries and regions*. We focus on acquiring customers in high-growth sectors, including smart electronics and robotics, and expanding into new geographic markets by offering proven products and manufacturing solutions to diversify our customer base. We source new customers through a combination of our technical expertise and industry brand recognition, direct business development efforts, participation in industry exhibitions, conferences and technical forums, and referrals from existing customers.

We adopt a diversified marketing strategy, focusing on technology-based brand building and precise opportunity acquisition. We conduct market research, customer analysis and market forecasting to understand customer needs, identify market opportunities and adjust our marketing strategies to continuously expand into new markets. We believe by understanding potential customers' needs and addressing their challenges, we are able to formulate more targeted marketing strategies and improve marketing effectiveness.

OUR CUSTOMERS

Our Major Customers

Over the years, we have forged long-standing relationships with participants in the supply chain, including manufacturers and end customers. Our customers mainly operate in the electronic devices and automotive and advanced air mobility industries. In 2023, 2024 and 2025, our aggregate revenue from the five largest customers in each year during the Track Record Period was RMB17,766.8 million, RMB24,772.9 million and RMB29,555.3 million, respectively, accounting for 52.0%, 56.0% and 57.5% of our total revenue, respectively. In the same years, our revenue from the single largest customer in each year during the Track Record Period was RMB8,264.6 million, RMB9,757.6 million and RMB9,846.3 million, accounting for 24.2%, 22.0% and 19.2% of our total revenue, respectively. The increase in customer concentration during the Track Record Period was primarily attributable to the continued expansion of our imaging and display business. As sales to major customers in these business segments increased, revenue derived from these customers grew at a faster pace than that from other customers.

The following tables set forth the details of our top five customers during the Track Record Period:

Customers	Products provided	Year of commencement of business relationship	Credit term	Revenue	Percentage of total revenue
				(RMB'000)	
For the year ended December 31, 2023					
Customer A	Battery and power supply, materials, precision assembly, imaging and display related products, thermal management products, sensors and related modules, and hardware for XR devices	2014	45 to 90 days	8,264,647	24.2%
Customer C	Imaging and display, sensors and related components and modules, thermal management products, battery and power supply, hardware for XR devices, precision assembly and materials	2019	45 days	3,587,329	10.5%
Customer B	Hardware for XR devices, materials, sensors and related components and modules, precision assembly, battery and power supply, imaging and display, and thermal management products	2018	45 to 120 days	3,051,297	8.9%
Customer D	Cleaning energy related products	2019	45 days	1,552,364	4.6%
Customer F	Battery and power supply, thermal management products, precision assembly, imaging and display related products, materials and sensors and related modules	2021	60 to 90 days	1,311,123	3.8%
Total				**17,766,760**	**52.0%**

Customers	Products provided	Year of commencement of business relationship	Credit term	Revenue	Percentage of total revenue
				(RMB'000)	
For the year ended December 31, 2024					
Customer A	Battery and power supply, materials, precision assembly, imaging and display related products, thermal management products, sensors and related modules, and hardware for XR devices	2014	45 to 90 days	9,757,626	22.0%
Customer C	Imaging and display, sensors and related components and modules, thermal management products, battery and power supply, hardware for XR devices, precision assembly and materials	2019	45 days	4,989,792	11.3%

Customers	Products provided	Year of commencement of business relationship	Credit term	Revenue	Percentage of total revenue
				(RMB'000)	
Customer B	Hardware for XR devices, materials, sensors and related components and modules, precision assembly, battery and power supply, imaging and display, and thermal management products	2018	45 to 120 days	4,662,405	10.6%
Customer G	Imaging and display, precision assembly, materials, hardware for XR devices, thermal management products, and sensors and related components and modules	2022	45 days	3,445,180	7.8%
Customer E	Hardware for XR devices, materials, battery and power supply, precision assembly, and thermal management products	2020	90 days	1,917,848	4.3%
Total				**24,772,851**	**56.0%**

Customers	Products provided	Year of commencement of business relationship	Settlement method	Revenue	Percentage of total revenue
				(RMB'000)	
For the year ended December 31, 2025					
Customer A	Battery and power supply, materials, precision assembly, imaging and display related products, thermal management products, sensors and related modules, and hardware for XR devices	2014	45 to 90 days	9,846,307	19.2%
Customer C	Imaging and display, sensors and related components and modules, thermal management products, battery and power supply, hardware for XR devices, precision assembly and materials	2019	45 days	6,605,592	12.9%
Customer B	Hardware for XR devices, materials, sensors and related components and modules, precision assembly, battery and power supply, imaging and display, and thermal management products	2018	45 to 120 days	5,575,689	10.8%
Customer G	Imaging and display, precision assembly, materials, hardware for XR devices, thermal management products, and sensors and related components and modules	2022	45 days	4,434,031	8.6%
Customer D	Clean energy related products	2019	45 days	3,093,645	6.0%
Total				**29,555,264**	**57.5%**

Notes:

(1) Customer A is a technology service company listed on Taiwan Stock Exchange based in Taiwan, China, providing electronic manufacturing services. To our knowledge, a majority of products sold to Customer A were subsequently sold to Customer C.

(2) Customer B is an intelligent manufacturing solutions provider listed on Shenzhen Stock Exchange based in Shenzhen offering integrated services from core components, modules and system assembly.

(3) Customer C is a company listed on Nasdaq Stock Exchange based in the United States, primarily engaged in the design, development, and sale of smart electronics.

(4) Customer D is a company listed on the Nasdaq Stock Exchange based in the United States specializing in the development of microinverters for individual solar panel.

(5) Customer E is a technology innovation enterprise listed on Shenzhen Stock Exchange based in Weifang, mainly engaged in the R&D, manufacturing, and sales of precision optoelectronic components, structural components, intelligent devices, and high-end equipment.

(6) Customer F is a technology company listed on Hong Kong Stock Exchange, headquartered in China, focused on smartphones, smart hardware, and IoT platforms.

(7) Customer G is an Indian conglomerate with businesses spanning technology, steel, automotive, consumer products. Subsidiaries of Customer G are listed on Bombay Stock Exchange and the National Stock Exchange.

(8) The payment method of our top five customers for each year of the Track Record Period is bank transfer.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Salient Terms with Major Customers

We generally enter into framework agreements with our major customers that cover the design, manufacturing and sales of products. Key terms of the agreements are summarized as below:

Duration: These framework agreements generally do not have fixed terms.

Pricing: Pricing of the products is generally specified in purchase orders.

Transfer of risks: Risks are transferred to our customers when the products are accepted by them.

Payment and credit terms: We generally deliver products to our customers before payment and grant our customers credit periods on a case-by-case basis.

Minimum purchase requirements: Our framework agreements with our customers usually do not contain minimum purchase requirements.

Warranty: Our warranty terms are negotiated on a case-by-case basis. We generally provide replacement or return arrangements for our customers during the warranty period, which is typically up to two years.

Logistics: We are generally responsible for delivering products to locations specified by our customers.

Returns/exchanges: Our customers will inspect the products upon delivery and are generally entitled to return or exchange products that do not meet their requirements in terms of quality or specifications.

Confidentiality: These framework agreements usually have strict confidentiality provisions that restrict us from disclosing confidential information of our customers.

Termination: These framework agreements can be terminated with mutual agreement of parties and under certain circumstances such as force majeure or bankruptcy of a party.

SUPPLY CHAIN MANAGEMENT

We primarily purchase raw materials, machinery and equipment, molds and other auxiliary materials required for the manufacture of our products. To ensure the quality, reliability and efficiency of our component supply, we adopt a rigorous supplier selection process. A new supplier evaluation process includes completing a supplier assessment questionnaire to collect basic information, negotiating commercial terms, conducting sample certification and organizing on-site audits by our procurement, quality and engineering teams. Our selection criteria include supplier qualifications and capabilities, successful sample validation, compliance with environmental requirements, cost competitiveness, ability to meet delivery schedules, and willingness to cooperate and financial condition.

After the supplier is determined, we maintain a strict supplier management mechanism covering the entire lifecycle from onboarding to daily management, monthly performance evaluation and, where necessary, disqualification. During onboarding, we verify core documents such as business licenses and execute procurement and quality agreements. For daily operations, we implement incoming material quality control in accordance with our internal guidelines. On a monthly basis, we evaluate supplier performance across multiple dimensions, including quality, technology, pricing, delivery and service, based on our internal supplier performance scoring standards.

We generate purchase orders based on material requirement plans prepared by our PMC department, which takes into account customer sales forecasts, production schedules and existing inventory levels. Once the material requirement plan is finalized, the procurement department issues purchase orders and monitors their execution status through our ERP system in real time, making adjustments as necessary to align with production needs. Upon arrival of materials, our quality inspection team conducts sampling inspections to determine acceptance, and inspection results are recorded in our supplier evaluation system. Qualified materials are then transferred to the warehouse for storage.

To ensure the stability of our supply chain and mitigate the risk of supply disruptions, we maintain multiple qualified suppliers for each major material or product category, except where suppliers are designated by customers. We also maintain alternative sources for each category to prevent reliance on limited suppliers. We adopt a multi-pronged approach to secure supply and control costs, including a competitive pricing mechanism through inquiries and negotiations with at least three suppliers for new materials, price negotiations for increased project demand and competitive bidding. To hedge against price fluctuations, we implement measures such as releasing rolling forecasts to secure safety stock, locking in exchange rates within cycles, pre-booking critical raw materials such as precious metals and developing secondary or substitute sources. In addition, we adopt cost optimization measures such as quarterly business reviews for price reductions, tiered pricing, discounts upon reaching annual purchase volumes, extended payment terms and supply chain financing.

Our Major Suppliers

Our suppliers are mainly suppliers of raw materials and equipment. During the Track Record Period, our aggregate purchase from the five largest suppliers in each year was RMB3,567.8 million, RMB8,702.8 million and RMB9,404.3 million, respectively, accounting for 16.5%, 31.0% and 29.8% of our total purchase, respectively, in 2023, 2024 and 2025. For the same years, our purchase from the single largest supplier in each year during the Track Record Period amounted to RMB822.3 million, RMB6,355.5 million and RMB6,739.4 million, accounting for 3.8%, 22.7% and 21.3%, respectively, of our total purchase. The increase in supplier concentration during the Track Record Period was mainly driven by the growth in procurement volume associated with the expansion of our imaging and display business. As production scale increased, we sourced a larger volume of key raw materials from certain major suppliers in this area.

The following tables set forth the details of our top five suppliers during the Track Record Period:

Suppliers	Products/services provided	Year of commencement of business relationship	Settlement method	Purchase	Percentage of total purchase
				(RMB'000)	
For the year ended December 31, 2023					
Supplier F	Display-related raw materials	2023	45 days	822,293	3.8%
Supplier A	Adhesives and foams	2006	30 to 60 days	782,624	3.6%
Supplier B	Mobile phone components	2021	Prepayment	767,156	3.5%
Supplier C	Charger housings	2013	60 days	754,820	3.5%
Supplier G	Transistors, integrated circuits, and capacitors	2012	30 to 60 days	440,924	2.1%
Total				**3,567,817**	**16.5%**

Suppliers	Products/services provided	Year of commencement of business relationship	Settlement method	Purchase	Percentage of total purchase
				(RMB'000)	
For the year ended December 31, 2024					
Supplier F	Display-related raw materials	2023	45 days	6,355,466	22.7%
Supplier A	Adhesives and foams	2006	30 to 60 days	821,365	2.9%
Supplier D	Adhesives and foams	2006	30 to 60 days	531,343	1.9%
Supplier C	Charger housings	2013	60 days	522,155	1.9%
Supplier H	Tape and protective film	2002	60 to 90 days	472,495	1.6%
Total				**8,702,824**	**31.0%**

Suppliers	Products/services provided	Year of commencement of business relationship	Settlement method	Purchase	Percentage of total purchase
				(RMB'000)	
For the year ended December 31, 2025					
Supplier F	Display-related raw materials	2023	45 days	6,739,399	21.3%
Supplier A	Adhesives and foams	2006	30 to 60 days	879,438	2.8%
Supplier D	Adhesives and foams	2006	30 to 60 days	682,469	2.2%
Supplier C	Charger housings	2013	60 days	552,012	1.8%
Supplier I	Aluminium	2021	30 days	550,967	1.7%
Total				**9,404,285**	**29.8%**

Notes:

(1) Supplier A is a private company providing adhesives and adhesive system solutions, headquartered in Germany.

(2) Supplier B is a technology company listed on Hong Kong Stock Exchange, headquartered in China, focused on smartphones, smart hardware, and IoT platforms.

(3) Supplier C is a manufacturing company listed on the New York Stock Exchange, involved in the design, engineering, and manufacturing of electronic circuit board, based in the United States.

(4) Supplier D is a company listed on Tokyo Stock Exchange, based in Japan, manufacturing electronics and automobiles.

(5) Supplier E is a technology company listed on the Nasdaq Stock Exchange, based in the United States focused on high-voltage power conversion in the semiconductor sector.

(6) Supplier F is a company listed on Nasdaq Stock Exchange based in the United States, primarily engaged in the design, development, and sale of smart electronics.

(7) Supplier G is a distributor of smart electronics listed on the Nasdaq Stock Exchange, headquartered in the United States.

(8) Supplier H is a private company based in Shenzhen, providing customized tape and protective film solutions for the electronics industry.

(9) Supplier I is a private company headquartered in Hangzhou, China, specializing in the manufacturing of high-performance aluminum alloy plates, strips, and foils.

(10) The payment method of our top five customers for each year of the Track Record Period is bank transfer.

Our Directors confirm that we had not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or delay in delivery of our orders from our suppliers during the Track Record Period. As of the Latest Practicable Date, except for Supplier H, a subsidiary of our shareholder, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year during the Track Record Period.

Salient Terms with Major Suppliers

We generally enter into framework agreements with our major suppliers. Key terms of our agreements for the purchase of components include:

Duration: Our framework agreements generally do not have a fixed term.

Pricing: The supplier guarantees the transaction price is not higher than the lowest price the supplier offers to any third party.

Payment and credit terms: Payment terms are generally set out in specific purchase orders rather than the framework agreement. We will make payments once all the payment conditions have been satisfied.

Logistics: Location of delivery is subject to the purchase order. Transportation and other related costs will be borne by the supplier. The risk is transferred to us after delivery and acceptance.

Warranty period: The warranty period is one year from the day after our acceptance of delivery.

Confidentiality: The supplier is obligated to keep confidential any documents and electronic files provided by us, including but not limited to projects, structures, data, software, plans, price, product specifications, R&D and customer information.

Changes and termination: Any amendment, change, addition, deletion or termination of the framework agreement must be agreed by both parties through written confirmation.

LOGISTICS AND WAREHOUSING

We generally adopt the cost insurance and freight ("CIF") or delivered at place ("DAP") rules of delivery with our customers. Under CIF, we deliver our products at ports close to our manufacturing plants or warehouses; under DAP, we are responsible for transporting the goods to the destination designated by our customers and completing delivery. We primarily collaborate with third-party logistics service providers for finished goods transportation. We set strict standards for the transportation of our products that these service providers are required to follow, and we periodically evaluate their performance and compliance with our requirements to ensure smooth delivery of products to customers. We usually enter into service agreements with our logistics service providers on a biennial basis, and the logistics service providers bear the risks associated with the transportation of our products. As of the Latest Practicable Date, we had warehousing capacity in locations such as Chinese Mainland, Hong Kong, France, India, Vietnam and Brazil. Except for the warehouse in Hong Kong, which is operated by a third-party logistics service provider as we do not have a manufacturing plant in Hong Kong and such warehouse only serves as a freight transfer station, all other warehouses are operated by us. We implement a comprehensive and intelligent digital warehousing and logistics system and adopt technologies such as SAP, on-site QR code order management and batch-tracking management to shorten response and process time within the production system, maintain safety stock for certain customers, and continuously optimize operational efficiency.

INVENTORY MANAGEMENT

Our inventory includes raw materials, work-in-progress, finished goods, goods in transit, consigned processing materials and consumables. In 2023, 2024 and 2025, our average inventory turnover period was 71 days, 56 days and 55 days, respectively.

As we carry out inventory control and our production activities are mainly based on orders, we generally do not run a significant risk of understocking and overstocking. In view of our continuous actual production and sales activities, we will adjust our raw material procurement according to the manufacturing process, taking into account the required lead time of various raw materials, so as to minimize our raw material inventory and maintain it at an appropriate level which ensures undisrupted production. We will constantly monitor, review and evaluate our inventory levels to ensure a steady supply of raw materials for production and to minimize overstocking. In addition, our suppliers usually have multiple production sites, and we generally require them to have extra raw materials readily available to ensure supply. During the Track Record Period, we did not experience any material delivery delays or inventory shortages.

QUALITY CONTROL

We follow a quality management policy that places customer satisfaction at the center, quality as the priority and technological innovation as the core driver, with ongoing improvement as a fundamental principle. We are committed to delivering reliable products and services to our customers through a comprehensive quality management system and independent business lines that drive technological innovation and new project development.

We have established an independent quality center to oversee and coordinate quality management. Each quality department formulates policies tailored to its business characteristics to strengthen quality control. We maintain a broad set of management systems and certifications, including ISO9001, ISO14001, ISO45001, IATF16949, QC080000, ISO27001, ISO50001, ISO14064-1 and ISO14067. All of our manufacturing plants have obtained ISO9001 quality management system certification, ISO14001 environmental management system certification and ISO45001 occupational health and safety management system certification. Over 20 manufacturing plants have been certified under the IATF16949 automotive quality management system and QC080000 hazardous substance management system, more than ten manufacturing plants have obtained ISO27001 information security management system and ISO50001 energy management system certifications, six manufacturing plants have passed dual-carbon system certification and over ten manufacturing plants have successfully completed VDA6.3 audits by automotive customers.

We conduct periodic internal quality audits, with over 1,000 self-inspections annually, and undergo more than 500 customer audits each year. Based on these management systems, we have developed the Quality and HSPM Manual and the environment, health and safety ("EHS") Management Manual, and we continuously identify improvement opportunities through internal and external audits, QCC activities, Six Sigma initiatives, lean quality meetings and management reviews to ensure the ongoing suitability, adequacy and effectiveness of our systems.

We are committed to delivering stable and reliable product quality through continuous improvement in our manufacturing and quality management practices. We also place strong emphasis on developing quality professionals, with over ten certified VDA auditors, more than 600 Six Sigma Green Belts and over 30 Six Sigma Black Belts, providing robust support for the continuous optimization of our quality management system.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any product returns or exchanges of defective products that has resulted in a material adverse effect on our business, results of operations or financial condition.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers were also our suppliers, and certain of our five largest suppliers were also our customers (Overlapping Customers and Suppliers).

In 2023, 2024 and 2025, five, four and five of our five largest customers for each year of the Track Record Period were also our suppliers, generating revenue of RMB17.8 billion, RMB21.3 billion and RMB29.6 billion, which represented 52.0%, 48.2% and 57.5% of our total revenue, respectively. For the same years, the purchases from such overlapping customers and suppliers amounted to RMB1.6 billion, RMB6.7 billion and RMB6.9 billion, which represented 7.6%, 24.0% and 22.0% of our total purchases, respectively.

In 2023, 2024 and 2025, three, two and two of our five largest suppliers for each year of the Track Record Period were also our customers, generating revenue of RMB5.2 billion, RMB5.1 billion and RMB6.7 billion, which represented 15.4%, 11.5% and 13.1% of our total revenue, respectively. For the same years, the purchases from such overlapping customers and suppliers amounted to RMB2.3 billion, RMB6.9 billion and RMB7.3 billion, which represented 10.8%, 24.5% and 23.1% of our total purchases, respectively.

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

- Certain of our overlapping customers and suppliers require their suppliers, including our Group, to procure specific raw materials and components manufactured or sourced from them. This practice is intended to enable such customers and suppliers to maintain overall control of the procurement process and ensure cost efficiency and quality consistency of raw materials. This arrangement is commonly referred to in the industry as the "buy-and-sell" model and is consistent with the industry norm, according to Frost & Sullivan. Transactions involving sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business and on normal commercial terms negotiated on an arm's length basis; and

- Some of our overlapping customers and suppliers are large-scale enterprises in the smart electronics industry with diversified product portfolios. The smart electronics industry is characterized by a complex supply chain comprising multiple stages and a wide range of material requirements. Each participant in this supply chain possesses distinct competitive advantages in specific areas. Our Group collaborates with other participants in the industry value chain to jointly manufacture a variety of products, thereby meeting the stringent specifications and quality standards required by our customers, and therefore does not result in direct competition between us and our customers.

Our purchases from and sales to such Overlapping Customers and Suppliers were separate processes and took place at different stages of the industry value chain, and were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis.

According to Frost & Sullivan, Overlapping Customers and Suppliers are common in the high-precision intelligent manufacturing platform industry for core electronic devices due to the need for deep technical collaboration and supply chain security considerations. According to the same source, the smart electronics market is highly concentrated, particularly among top-tier brands that command a large share of global shipments. As such, it is common for suppliers of premium smart electronics brands to have a concentrated customer base. We have maintained good and long business relationships with our Overlapping Customers and Suppliers and did not have any disputes with them during the Track Record Period. As we strategically expand our product mix and enter into other markets, the percentage of total revenue and purchase from Overlapping Customers and Suppliers may decrease over time as we continue to diversify our product portfolio and end markets.

DATA SECURITY AND PRIVACY

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. In particular, the PRC legislative and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, processing and transfer of various types of data may come under increased administrative scrutiny. See "Risk Factors — Risks Relating to Our Business and Industry — Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities" for more details.

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties. We generally do not collect or process individual customers' personal information since our customers are corporate clients rather than individuals. We may transmit certain non-sensitive and non-personal data to our overseas subsidiaries as part of our business operations. During the Track Record Period and up to the Latest Practicable Date, we have complied with applicable laws and regulations related to cybersecurity and data protection in all material respects.

We have established a comprehensive data security protection framework that combines infrastructure safeguards, operational management, internal policies and trainings.

- We have implemented dual-server hot standby and dual data center disaster recovery for core data to ensure rapid system switchover in the event of hardware failure. We deployed next-generation firewalls, intrusion detection systems and DDoS protection to block malicious attacks. Our technological measures also include dual encryption for data transmission and storage, role-based access control combined with multi-factor authentication, real-time monitoring of sensitive data transfers through a data loss prevention system and daily incremental backups with off-site disaster recovery.

- Our operations are supported by a 24/7 maintenance team across our headquarters and subsidiaries. Our incident response protocol requires reporting to the information security team within one hour of detection and forming an emergency response team within 24 hours. Post-incident reviews are completed within 48 hours, with updates to relevant policies and employee training as needed. In the event of a material incident, we are committed to reporting to the Cyberspace Administration of China and local data authorities within 48 hours in accordance with applicable regulations.

- We have formulated internal policies including the IT Business Disaster Recovery Plan, Information Security Incident Management Procedure, Critical Information Backup Management Standard, Business Continuity Plan and Business Continuity Control Procedure. We classify and grade data into five categories and apply differentiated protection measures accordingly. All employees undergo annual security training, including phishing email identification and data confidentiality, with a 100% pass rate. We also conduct quarterly security training sessions and annual third-party compliance audits.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers' personal information.

INTELLECTUAL PROPERTY RIGHTS

As of December 31, 2025, we held a total of 2,004 patents, among which 545 are invention patents, 1,401 utility model patents, and 58 design patents. Leveraging collaborations with top universities, we continue to strengthen our advantages in cutting-edge areas such as advanced processes and innovative materials. These intellectual properties cover our production processes as well as the design of our products. See "Appendix IV — Statutory and General Information — 2. Further Information about our Business — B. Our Material Intellectual Property Rights" for more details.

We rely on a combination of intellectual property protection laws and contractual arrangements (including confidentiality provisions) to establish and protect our proprietary technologies, know-how and other intellectual property rights. Our legal department is primarily responsible for protecting our intellectual properties. We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual properties and trade secrets. Despite our efforts, we may be subject to risks associated with alleged infringement of third parties' intellectual property rights, or infringement of our intellectual property rights by third parties. See "Risk Factors — Risks Relating to Our Business and Industry — Our patents and other non-patented intellectual properties are valuable assets, and if we are unable to protect them from infringement or claims by third parties, our business prospects may be harmed" for more details.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material legal, arbitral, or administrative proceedings or claims of infringement of any intellectual property rights, in which we may be a claimant or a respondent. Our Directors confirm that they are not aware of any material legal, arbitral or administrative proceedings for infringement of any third party's intellectual property rights by us as of the Latest Practicable Date.

INFORMATION TECHNOLOGY

Our information technology systems are essential to our business operations. We have developed or employ various information technology systems covering all material aspects of our operations, including sales, supply chain management, inventory management, production and quality control. Our information technology department is responsible for developing and maintaining information technology systems to support our business operations and growth. Our key information technology systems are set forth below:

- Our Customer Relationship Management system manages customers' information and sales processes. It helps to track potential customers and sales opportunities in order to enhance efficiency, reduce human errors and increase customer satisfaction.

- Our ERP system provides a unified platform that enables cross-departmental collaboration and enhances overall operational efficiency. It delivers real-time business data to help management in decision-making.

- Our Supplier Relationship Management system optimizes supply chain processes by predicting demand, managing inventories, reducing costs and enhancing the flexibility of the supply chain. It helps to ensure the timely supply of raw materials and products.

- Our MES ensures efficient production while maintaining our quality standards. Used for planning and controlling various stages of production processes, it optimizes resource allocation, improves production efficiency, shortens production cycles, and ensures product quality consistency.

- Our Product Lifecycle Management system manages the full lifecycle of design drawings and test data, enabling cross-functional collaboration among R&D, production and quality teams and shortening product development cycles.

COMPETITION

We compete in the large and highly competitive global high-precision intelligent manufacturing platform industry for core electronic devices, which mainly include smart electronics, enterprise servers and intelligent robots. According to Frost & Sullivan, the market size of the global high-precision intelligent manufacturing platform market for smart electronics grew from US$295.1 billion in 2021 to US$330.9 billion in 2025, achieving a CAGR of 2.9%. From 2021 to 2025, the market size of the global high-precision intelligent manufacturing platform industry for intelligent robots grew from US$28.5 billion to US$38.2 billion, with a CAGR of 7.6%. The global high-precision intelligent manufacturing platform market for enterprise servers expanded rapidly, growing from US$3.7 billion in 2021 to US$29.1 billion in 2025, with a CAGR of 67.1% during this period.

Due to the diverse range of products, the markets we operate in are highly fragmented. Our major competitors include high-precision manufacturers focusing on industries such as electronic devices and automotive and advanced air mobility. Our ability to maintain and grow our market share depends on us competing effectively against our competitors. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new materials or technologies, production capacity, regulatory changes and general economic conditions. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first globally in the high-precision functional component market for smart electronics, and third globally among intelligent manufacturing platforms for high-precision smart electronics.

EMPLOYEES

As of December 31, 2025, we had 100,434 full-time employees, of which approximately 83.2% were based in Chinese Mainland and 16.8% were based overseas. The following table sets forth the number of our employees by function:

Employee Function	Number of Employees	% of Total
Manufacturing	86,585	86.2%
Research and Development	7,935	7.9%
Administration	4,721	4.7%
Sales and Marketing	1,193	1.2%
Total	**100,434**	**100.0%**

Our success deeply rests with our ability to attract, retain and motivate qualified talents, and we believe that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit through high standards and rigorous procedures, and through various methods, including campus recruitment, online recruitment, internal referral programs and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to our various talent demands.

We invest in continuing education and training programs, including regular and tailor-made internal and external training, for our employees to improve their professional knowledge and management skills, upgrade their skill sets and keep abreast of the industry standards in their respective positions. We also organize activities to provide our employees with a deeper understanding of our culture.

In line with PRC laws, we participate in government-mandated employee benefit plans, including social insurance for pensions, medical care, unemployment, work-related injury, maternity and housing funds. We are required by PRC law to contribute to employee benefit plans at specific rates based on employee salaries, bonuses and certain allowances, up to limits set by local regulations. During the Track Record Period, we met these requirements in all material respects without incurring any significant administrative fines or penalties.

We believe we have a positive working relationship with our employees. Throughout the Track Record Period, we experienced no strikes, work stoppages, or labor disputes that materially affected our business operations.

We place great emphasis on corporate culture as a foundational pillar supporting organizational cohesion, effective strategy execution and long-term sustainable development. We uphold the corporate spirit of "Striving with Resilience, Fulfilling Our Mission," and have progressively developed a core value system centered around "Integrity and Pragmatism, Customer First, Self-Respect and Respect for Others, Accountability, Long-Termism, and Shared Value Creation," which provides clear value orientation and behavioral guidelines for all employees.

To systematically promote the implementation of our corporate culture, we have formulated and released the "Culture Manual 2.0," and disseminated its principles across the organization through internal learning platforms, online courses and themed townhalls. Within our office campuses, we have deployed diverse communication media including culture-themed posters, bulletin boards, and video walls. Leveraging digital channels such as online classrooms and internal training academies, we continue to broaden reach and improve efficiency in culture-related learning initiatives.

In parallel, we actively cultivate a wide variety of cultural initiatives and programs, such as executive-led "Culture Talk" sessions, interviews with outstanding employees, value-driven-themed videos, monthly cultural newsletters and diverse engagement activities, helping employees understand and embrace our corporate spirit in more intuitive and interactive ways. We also provide immersive training modules and onboarding programs tailored to cultural integration, thereby enhancing employees' understanding of and alignment with the corporate cultural system.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because (i) certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees, and (ii) certain employees prefer to participate in the rural social security contribution plans in their resident places or their hometowns. During the Track Record Period, we have not been involved in any circumstances under the New Judicial Interpretation where any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid. Based on the foregoing, as advised by our PRC Legal Adviser, our Directors are of the view that the New Judicial Interpretation will not have a material adverse impact on our operations or financial conditions.

Pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement.

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notification from the relevant authorities requiring us to make full payment of all shortfalls in social insurance or housing provident fund contributions, nor did we receive any material employee complaint or have any material disputes with employees concerning their payment of social insurance and housing provident funds; (ii) as confirmed by the local governmental authorities in charge of social insurance and housing provident funds or their authorized offices, or credit reports from the credit institutions authorized by relevant local government authorities, no material administrative penalty was imposed on us with respect to the payment of social insurance and housing provident funds during the Track Record Period; and (iii) if we receive a notice from relevant authorities requiring us to rectify, pay or make up social insurance and housing provident funds within a specified period, we will promptly comply with the requirements of such notice. Based on the foregoing, our PRC Legal Adviser is of the view that provided there are no material changes to the current social insurance and housing provident fund policies and regulations, or to the implementation and oversight requirements of local governments, the risk that we face recovery actions by the competent social insurance and housing provident fund authorities, resulting in administrative penalties due to the issue of shortfalls in social insurance and housing provident funds during the Track Record Period, is remote. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds on a regular basis;

- we are in the process of communicating and will continue to communicate with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds, which also requires additional contributions from our employees. We also undertake to gradually increase the applicable payment base for the social insurance and housing provident funds for our employees as indicated by the competent government authorities; and

- we will consult our PRC Legal Adviser on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance training relating to the same.

INSURANCE

We maintain insurance policies to cover product liability and employer liability. In addition, we have purchased a number of property, equipment and transportation related insurance policies covering our facilities, machinery, equipment, inventories and other tangible assets. We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors — Risks Relating to our Business and Industry — Our insurance coverage may not be sufficient to cover the risks associated with our operations or any resulting losses" for more details.

During the Track Record Period, we had not made, and were not the subject of, any insurance claims which are material to our business or financial condition.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Sustainable development is an integral component of our corporate growth strategy, guiding our commitment to long-term prosperity while minimizing environmental and social impacts. Our corporate management philosophy is rooted in green manufacturing practices, seamlessly integrated with advanced technologies and strategic planning.

We have fully integrated ESG-related matters into our corporate management, aligning with capital market expectations and regulatory requirements. We clarify key ESG issues closely tied to our business, such as addressing climate change, opportunities in clean tech, labor management and supply chain management, developing corresponding management procedures to mitigate the impacts of these ESG issues and regularly engaging with our stakeholders. We are dedicated to making significant contributions to low-carbon and sustainable development in society.

ESG Management

We have established an ESG management structure comprising the Board, the Social Responsibility Committee and the ESG working group. The Board serves as the ultimate supervisory body for our ESG and climate change matters. It is responsible for evaluating and confirming our ESG and climate change-related risks and opportunities, and holds overall responsibility for the ESG management system and disclosure of information. Our Directors, Ms.

Zeng, Mr. Jia Shuangyi and Ms. Wei, are responsible for overseeing our ESG affairs. The Social Responsibility Committee comprises senior executives from production sites and departments, including the head of the HR department, who serves as the Company's Vice Chairman. The committee aims to elevate sustainable development to the highest levels of corporate management. The ESG working group is responsible for coordinating ESG efforts across various business units. It oversees critical issues and drives our ESG practices forward.

- *Board:* (i) Develops the corporate sustainable development strategy and ensures that the long-term strategy aligns with global sustainability guidelines; (ii) Monitors the execution of the sustainability strategy, reviews key sustainability metrics and assesses our progress toward achieving its sustainability goals; (iii) Receives regular reports from the Social Responsibility Committee to stay informed about the implementation of sustainability initiatives and provides guidance on alignment with our overall sustainability strategy; (iv) Approves disclosure of our sustainability reports.

- *Social Responsibility Committee:* (i) Identifies and evaluates potential environmental, social, and governance risks, as well as opportunities to enhance our sustainability performance; (ii) Incorporates the corporate sustainable development strategy and ESG principles into all business operations, interprets ESG Standards and develops internal ESG policies; (iii) Supervises the implementation of our labor rights, environmental management, occupational health and safety, and sustainability management systems; and (iv) Carries out the promotion of sustainability awareness among managerial levels and employees, and regularly conducts social responsibility training for subsidiaries and departments.

- *ESG Working Group:* (i) Coordinates ESG efforts across various business units, monitors key ESG performance, and implements our ESG programs; (ii) Prepares our annual sustainability report and other related information disclosures, and coordinates efforts to maintain and improve ESG ratings; (iii) Assists with formulating and implementing relevant policies to support the execution of the sustainability strategy.

We attach great importance to corporate compliance management and continuously improve the internal control system. We formulate compliance management methods, a legal risk management system and other rules and regulations, clarify the objectives, principles and processes of compliance management, carry out risk identification and risk response, classify compliance risks into categories, create a comprehensive compilation and analysis of risks by collecting risk lists of each department and plan to create a database, formulate targeted preventive and control measures, and carry out compliance training to improve the compliance awareness and capability.

Environmental

Environmental Management

We maintain an effective environmental management system and adhere to green production to reduce our environmental impact, strictly complying with environmental laws and formulating relevant management procedures to fulfill environmental responsibilities. The EHS department oversees environmental management and conducts environmental factor identification and assessment for construction projects before commencement.

We carry out environmental monitoring in line with permits and local requirements, disclose results, and engage qualified third-party institutions to ensure data authenticity. During the Track Record Period, we received no material environmental administrative penalties. As of December 31, 2025, 36 of our production entities had obtained ISO 14001 environmental management system certification.

Emissions and Waste Management

Our principal environmental management objects comprise production exhaust gases, wastewater, and hazardous and non-hazardous waste:

Exhaust gases

Our production processes primarily generate nitrogen oxides ("NOx"), sulfur oxides ("SOx"), volatile organic compounds ("VOCs") and particulate matter. We strictly comply with the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and have established the Pollutant Control Management Procedure.

We carry out regular maintenance of our exhaust-gas treatment facilities, properly treat exhaust gases, and engage third-party testing institutions with national qualifications to conduct monitoring, to ensure that exhaust gases are discharged only after treatment and in compliance with applicable standards. In 2024, we upgraded certain exhaust-gas control systems at selected plants, which effectively enhanced VOC abatement efficiency.

As of December 31, 2025, three subsidiaries participated in the Clear Air program. Through process optimization and material substitution, we reduced VOCs generation at source and enhanced VOCs treatment efficiency. The cumulative reduction in VOC emissions from 2023 to 2025 amounted to approximately 171.7 metric tons.

Wastewater

Our wastewater arises mainly from domestic sewage and industrial effluent. We strictly comply with the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the applicable environmental regulations in the regions where we operate. We have also formulated and implemented a Pollutant Control Management Procedure to provide a systematic framework for wastewater treatment, with clearly defined management requirements governing wastewater discharge.

We update our wastewater discharge inventory on a regular basis, and our EHS department manages potential risks associated with wastewater discharge pursuant to the EHS Corrective and Preventive Measures Control Procedures. In addition, we engage third-party testing institutions with national qualifications to conduct water-pollution monitoring to ensure compliance with applicable discharge standards.

Hazardous and non-hazardous waste

Our hazardous and non-hazardous waste primarily consists of chemicals, organic waste, waste liquids, packaging materials and office refuse. We strictly comply with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, as well as the Restriction of Hazardous Substances Directive ("RoHS Directive"), the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") Regulation and other relevant international conventions. We have established the Solid Waste Management Procedure and the Chemicals Management Procedure, and we engage qualified third-party service providers on a regular basis for the treatment and disposal of waste, with a view to minimising the adverse impacts of hazardous waste on our products, employees and the environment.

We implement full lifecycle management of waste from source to end-of-life, regularly updating inventories and promoting waste reduction and recycling measures during production to minimize waste generation at the source. For the residual waste generated, we actively pursue resource-recovery approaches, including material recycling, energy recovery (such as power generation and biofuels) and biological treatment (such as anaerobic digestion and composting), with the goal of achieving zero waste to landfill.

Across raw materials, components, semi-finished products, finished goods, packaging materials and auxiliaries, we prohibit or restrict a total of 129 substances. In our production processes, we subject a range of chemicals — including benzene, toluene and brominated organic solvents — to enhanced control.

As of December 31, 2025, 19 sites participated in the Zero Waste Program ("ZWP"). 13 sites recorded a waste diversion rate of over 90%. Four sites obtained UL 2799 certification. In addition, seven sites participated in customer waste-reduction innovation initiatives, achieving an annual waste reduction of approximately 5,300 tons through on-site recycling, closed-loop recovery and other circularity measures.

		For the year ended December 31,		
Metrics	**Unit**	**2023**	**2024**	**2025**
Exhaust gas				
Total exhaust gas emissions	10,000 m^3	3,442,701.05	4,013,190.06	3,513,037.35
NOx emissions	ton	5.00	8.58	18.32
SOx emissions	ton	1.94	6.86	4.67
Particulate matter emissions	ton	70.13	96.29	119.81
VOCs emissions	ton	41.37	32.33	44.79
Xylene emissions	ton	0.00	0.00	1.24
Sulfuric acid mist emissions	ton	0.00	0.00	1.05
Hydrogen sulfide emissions	ton	13.14	10.34	21.44
Other air pollutants	ton	3.15	11.76	18.98
Wastewater				
Total wastewater	m^3	1,167,361.74	1,481,337.43	2,607,475.24
Chemical oxygen demand ("COD") emissions	ton	1,743.94	104.55	101.85
Ammonia nitrogen emissions	ton	8.60	2.21	3.67
Biochemical oxygen demand ("BOD_5") emissions	ton	13.50	12.35	25.71
Total phosphorus emissions	ton	0.00	0.00	2.36
Petroleum hydrocarbons emissions	ton	0.00	0.00	0.53
Suspended solids ("SS") emissions	ton	11.23	18.26	27.72
Other wastewater pollutants	ton	212.58	32.44	10.57
Solid waste				
Hazardous waste generated	ton	20,691.33	41,279.24	51,659.48
Non-hazardous waste generated	ton	54,647.67	70,252.11	85,824.55
Amount of hazardous waste recovered for reuse or recycling	ton	4,458.66	902.83	735.47
Amount of non-hazardous waste recovered for reuse or recycling	ton	47,366.64	62,207.99	61,559.72
Major Packaging Materials				
Paper	ton	10,035.14	7,740.10	18,389.77
Plastic	ton	25,741.13	34,780.76	41,059.18
Refrigerant				
R404a	kg	0.00	4.00	0.00
R134a	kg	109.00	1,096.00	1,205.00
R410A	kg	0.00	929.70	1,818.80
R-22	kg	106.50	1,064.60	1,581.60
R-32	kg	180.00	1,621.25	1,702.50
R-12	kg	0.00	0.00	0.00
R407C	kg	68.00	116.00	74.00

Energy Management

We have established the Energy Management System Manual and related procedure documents, under which we implement practical energy-saving measures, increase the proportion of clean energy in our energy mix, and enhance the efficiency of energy and resource use across our operations. We are also committed to strengthening our energy management system. As of December 31, 2025, 15 of our production entities had obtained ISO 50001 energy management system certification.

With respect to energy-saving improvements, we carry out regular retrofits across five major energy-use modules — production electricity, gas supply systems, central air-conditioning, workshop ventilation/fans, and domestic and office utilities — and we continuously track implementation and performance.

In addition, we actively explore alternatives to conventional fossil fuels and continue to increase investment in clean energy. We promote our energy transition by procuring green certificates and installing PV generation facilities. Since 2012, certain of our production sites have progressively installed photovoltaic power generation facilities on the unused rooftops of plant buildings or other structures.

As of December 31, 2025, the Energy Efficiency Program ("EEP") delivered electricity savings of approximately 44,034,586 kWh, corresponding to an estimated reduction of approximately 24,243 tons of carbon emissions (including the carbon reduction attributable to heat savings). In addition, we purchased approximately 703,062 MWh of green certificates, corresponding to an estimated reduction of approximately 373,045 tons of CO_2 emissions.

As for energy management objectives, we plan to increase the proportion of clean energy in our operations. By 2027, we aim to have direct purchases of green electricity and photovoltaic power account for 45% of total electricity consumption.

		For the year ended December 31,		
Metrics	**Unit**	**2023**	**2024**	**2025**
Energy consumption				
Total energy consumption	MWh	1,055,028.25	1,269,703.69	1,897,793.37
Direct energy consumption	MWh	49,381.36	59,141.64	86,499.91
Indirect energy consumption	MWh	1,005,646.89	1,210,562.04	1,811,293.47
Purchased electricity consumption	MWh	937,682.92	1,131,691.94	1,379,317.67
Purchased heat consumption	GJ	82,437.49	66,187.50	143,113.30
Renewable energy consumption	MWh	45,064.67	60,484.68	392,222.10
Gasoline consumption	litres	316,200.39	335,363.31	291,666.24
Diesel consumption	litres	1,156,831.55	1,289,531.47	1,285,472.80
Natural gas consumption	10,000 cubic metres	314.44	377.00	651.80
Liquefied petroleum gas ("LPG") consumption	cubic metres	155.61	364.99	91.86
Total energy consumption intensity	MWh/revenue of RMB10,000	0.31	0.29	0.37

Note: Since the previously reported natural gas consumption for Chinese Mainland in 2024 has been revised to 3,749,495 cubic meters, global natural gas consumption for 2024 stands at 3,770,041.43 cubic meters.

Water Management

We are committed to reducing our operational reliance on water resources and mitigating any potential adverse impacts on water bodies.

Our water supply is primarily drawn from municipal networks and is used for domestic purposes and for auxiliary utilities in our production processes, including cooling towers, boilers, and steam systems. Certain plants are equipped with purified-water systems to safeguard process-water quality, and we have strengthened the monitoring of domestic and drinking water quality.

As of December 31, 2025, seven sites joined the Clean Water Program (of which four met its requirements) to improve water efficiency, and we have adopted circular cleaning technologies expected to reduce water consumption by around 70%, cleaning agent use by 60% and cleaning line footprint by 30%.

		For the year ended December 31,		
Metrics	**Unit**	**2023**	**2024**	**2025**
Water consumption				
Total water Withdrawal	t	6,282,058.43	7,451,083.41	7,784,214.37
Total water consumption	t	6,149,843.75	7,291,471.61	7,209,072.33
Water consumption intensity . .	ton/revenue of RMB10,000	1.80	1.65	1.40

Responding to Climate Change

Governance

Pursuant to the GHG Quantification and Reporting Management Procedures, the General Manager of Operations is responsible for establishing and continuously enhancing the Company's systems for energy conservation, emissions reduction and GHG management, and for coordinating, driving and implementing the Company's GHG inventory and energy-saving/emissions-reduction initiatives.

Strategy

With reference to the applicable requirements, we identify climate-related risks and opportunities that may arise in our operations and have formulated preliminary response measures. Through climate scenario analysis, we assess the potential impacts of such risks and opportunities on our business in the short-term, short- to medium-term, medium- to long-term and the long-term.

Physical risks

To evaluate the impacts of extreme weather on the Company, we refer to the Shared Socioeconomic Pathway ("SSP") scenarios set out in the IPCC Sixth Assessment Report ("AR6"), selecting the low-emissions scenario SSP1-2.6 and the high-emissions scenario SSP5-8.5, and we have conducted qualitative assessments of higher-exposure physical risks and made positive mitigation measures.

The physical risks faced by our company primarily stem from acute and chronic climate events. In terms of acute risks, typhoons, heatwaves, and floods may lead to production site shutdowns, damage to facilities and equipment, and supply chain disruptions, resulting in operational interruptions, increased repair costs, and higher energy consumption. Regarding chronic risks, long-term sea-level rise could threaten coastal facilities, forcing us to invest additional capital in reinforcement or relocation, while also affecting logistics stability. To address these challenges, we have developed comprehensive adaptation measures, including upgrading building wind resistance and drainage capabilities, stockpiling emergency supplies, adjusting working hours to cope with extreme heat, and establishing robust early-warning systems and emergency response plans, aiming to reduce the risk of business disruption and enhance overall climate resilience.

Transition risks

To assess potential transition risks arising during the course of climate change, we refer to the scenarios published by the Network for Greening the Financial System ("NGFS") and have selected the "Orderly" and "Hot House World" scenarios to conduct qualitative assessments of higher-exposure transition risks and made related mitigation measures.

The transition risks faced by our Company primarily stem from policy, legal, market, and technological factors. For example, increasingly stringent low-carbon policies and compliance requirements may increase transition costs and compliance pressure. To address these challenges, we are advancing energy-saving retrofits, increasing the use of clean energy, and closely monitoring policy developments to ensure compliant operations and mitigate transition risks.

Climate-related opportunities

We have also identified opportunities arising from climate change, including (i) reductions in the stock and consumption of fossil fuels, (ii) the "Dual-Carbon" goals (carbon peaking and carbon neutrality), (iii) wider adoption and declining costs of green production technologies, (iv) growing demand for clean energy, and (v) the rapid development of the NEV market. We have formulated corresponding plans and measures to capture these opportunities.

Risk management

We conduct an annual identification and assessment of carbon emissions risk factors, comprehensively identifying those that are controllable or influenceable within our operations and consolidating them into a risk register. For identified factors, we evaluate four dimensions — likelihood of occurrence, time horizon of impact, scope of impact and severity of impact. Factors exceeding defined thresholds are designated as material risk sources and are brought under enhanced management and control.

Metrics and targets

We are committed to strengthening the monitoring and management of GHG emissions, and during the Track Record Period we completed the inventory of emissions arising from our production and operational activities. In addition, we have actively carried out GHG verification work. As of December 31, 2025, 7 of our production entities had obtained organisational GHG verification under ISO 14064-1, and 2 production entities had obtained product carbon footprint verification under ISO 14067.

		For the year ended December 31,		
	Unit	**2023**	**2024**	**2025**
GHG emissions				
Scope 1 GHG emissions	tCO_2e	11,103.08	20,087.76	28,515.60
Scope 2 GHG emissions	tCO_2e	544,429.77	653,612.48	978,336.22
Scope 3 GHG emissions	tCO_2e	134,801.92	155,671.49	225,117.83
GHG emission intensity	tCO_2e/revenue of RMB10,000	0.20	0.19	0.24

Notes:

(1) The sources of data for scope 1 GHG emissions are the consumption of gasoline, diesel fuel, natural gas, LPG and refrigerants during operations.

(2) The source of data for scope 2 GHG emissions is the consumption of purchased electricity and purchased heat during operations.

(3) Scope 3 GHG emissions include Category 3: Fuel- and energy-related activities, Category 6: Business Travel, Category 7: Employee Commuting.

(4) Scope 1 and scope 2 GHG emissions are calculated with reference to the General Principles for Calculating Comprehensive Energy Consumption (GB/T2589-2020) standard, the Intergovernmental Panel on Climate Change ("IPCC") 2006 National Greenhouse Gas Inventory Guidelines, the Announcement on the Release of CO_2 Emission Factors for Electricity in 2022 and the Announcement on the Release of CO_2 Emission Factors for Electricity in 2023 by Ministry of Ecology and Environment. Scope 3 GHG emissions are calculated with reference to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Opportunities in Clean Tech

We continue to explore clean technologies and increase our R&D investment to capture opportunities in new-energy businesses, and we are committed to driving industrial upgrading through advanced technologies and green manufacturing practices.

Our clean-technology business primarily covers new-energy batteries, photovoltaic inverters and energy storage batteries, with a number of outcomes demonstrating strong performance in extending product life, reducing energy consumption and conserving resources. In terms of materials selection, we incorporate recycled aluminium and recycled PC resin into certain products to reduce lifecycle emissions and resource use. In product development, we proactively factor in environmental considerations and strictly control the proportion of products involving energy-intensive processes within our overall product portfolio.

Social

Labor Management

We strictly adhere to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations, and establish guidelines such as Anti-Discrimination Management Measures, Management Measures for Collective Bargaining and Freedom of Association, Management Standards for Prohibiting Forced Labor, Management Regulations on Juvenile Workers, Student Workers, and Prohibition of Child Labor, Employee Handbook, Management Standards for Preventing Harassment, Violence, Abuse, and Retaliation, and Labor Protection Management Standards for Female Employees and Persons with Disabilities. Our strict policies clearly demonstrate our commitment to protection of employees' legal rights.

We adhere to the principles of "openness, fairness, and impartiality," providing equal opportunities to every employee regardless of their race, gender, age, religious beliefs, or disability status. We sign labor contracts in accordance with the law, clearly defining the rights and obligations of both parties, thereby protecting the legitimate rights and interests of employees. This fosters a diverse and inclusive work environment.

Our human resources due diligence investigation encompasses an examination of fundamental human rights risks, and the core investigation process is a closed-loop system integrating periodic assessments and continuous monitoring, specifically including risk identification, analysis and assessment, and improvement and follow-up. Our focus is to ensure employees' basic rights and dignity are respected and protected.

Adhering to the principles of equality and non-discrimination, we provide comprehensive social insurance and benefits to all employees, including housing subsidy, communication subsidy, meal subsidy, work environment subsidy, and professional title subsidy. In addition to these subsidies, we offer flexible working hours and provide paid sick leave that exceeds statutory standards. Some employees may also receive additional commercial insurance coverage.

During the Track Record Period, there were no incidents involving violations of freedom of association, collective bargaining rights, forced labor, illegal servitude, child labor, or any form of discrimination.

The following is the distribution of our employees by gender, age and geographical region for the indicated years:

Metrics	Employee type (person)	For the year ended December 31,		
		2023	2024	2025
Total number of employees	–	78,952	85,284	100,434
By gender	Male	47,312	51,653	60,547
	Female	31,640	32,577	38,404
	Others	–	1,054	1,483
By age group	29 and below	35,618	37,533	45,003
	30-49	41,674	44,525	51,809
	50 and above	1,639	2,169	2,121
	Others	21	1,057	1,501
By geographical region	China (Chinese Mainland, Hong Kong, Macau and Taiwan)	66,433	70,410	83,530
	Asia (except China)	10,818	11,797	13,458
	Europe	589	425	490
	North America	17	1,043	1,501
	South America	1,095	1,609	1,455

Note:

(1) "Others" refers to situations where data cannot be collected or obtained due to overseas information and privacy protection restrictions.

Employee Training and Development

We place a high emphasis on employee career development and have established a comprehensive training system that covers new employee onboarding, job-specific training, and ongoing professional development. Training programs cover all employees, contractors, and dispatched workers. We encourage employees to pursue further education while employed and enhance their competencies and skills.

We pay attention to the growth and leadership development of each employee. We have established clear and diversified promotion pathways, along with a robust and scientific promotion system. Our system delineates clear processes for operational channels, professional channels, and managerial level advancements, clearly defining the development opportunities and qualification requirements for each position.

Occupational Health and Safety

We strictly adhere to the Occupational Safety and Health Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and other relevant laws and regulations. We have established safety production regulations, including the Occupational Health Management Procedures, the EHS Incident Reporting, Investigation, and Handling Management Procedures, the Labor Protection Supplies Management Procedures, and the Fire Safety Management Procedures. We have set health and safety objectives: zero fires, zero serious injuries, zero fatalities, and zero occupational diseases.

As the core body for occupational health and safety management, the Group's EHS department leads the development and implementation of a full-coverage EHS management system and oversight mechanism. As of December 31, 2025, 35 production entities have obtained ISO 45001 certification.

- *Emergency Response:* We conduct routine and special inspections, and develop response plans for on-site incidents. For work-related injuries, illnesses or near misses, timely investigations are carried out to identify root causes, implement and verify corrective actions, and ensure full closed-loop management.

- *Risk Identification:* Occupational health risks are categorized into three levels. For environments with dust exposure, we install efficient dust removal systems and employ wet operations and enclosed processes to reduce dust exposure. In high-noise workplaces, equipment layouts are optimized, noise-reducing materials are used, and professional earplugs or noise-cancelling earmuffs are provided to employees. To address harmful gases, we equip high-efficiency ventilation systems and gas detection alarms to ensure the air quality consistently meets the national occupational health standards.

- *Occupational Disease Prevention:* We mandate that all employees undergo a health examination before starting employment, organize annual health check-ups and establish employee health records for all staff. For employees in special occupations, more stringent and specific occupational health examinations are arranged. Regular occupational health and safety training is conducted to enhance employees' self-protection awareness.

Supply Chain Management

We have established a comprehensive supplier management system that covers the entire process from supplier selection to supplier review and evaluation. We formulated the Supplier Management Procedures and Procurement Control Procedures, etc., to continually standardise and upgrade the supply chain management process.

- *Supplier Admission:* We require new suppliers to sign a series of agreements such as Environmental Protection Agreement, Supplier Integrity Agreement, Supplier Commitment to Fulfilment of Social Responsibility, Questionnaire on REACHSVHC Substances, Supplier Commitment to Conflict-Free Minerals, etc., clearly defining the suppliers' commitment to social responsibility, environmental protection and product quality.

- *Supplier Audits:* We implement a refined classification and grading management strategy for suppliers. Taking into account factors such as suppliers' qualification rate, cost control, delivery punctuality, service level and environmental compliance, we classify suppliers into three major categories, namely qualified, limited and eliminated, and refine them into five levels of management to conduct monthly and annual evaluations.

- *Green Procurement:* We have conducted monthly environmental and social risk assessment of suppliers. Suppliers are required to ensure that the products supplied comply with the RoHS Directive, Halogen Restriction and REACH and other environmental requirements, and pass our compliance assessment.

- *Conflict Minerals Management:* We refrain from purchasing any conflict minerals that directly or indirectly finance armed conflict areas, and conduct rigorous surveys of all products and materials that may contain conflict minerals such as gold, tantalum, tin, tungsten, cobalt and mica. As of December 31, 2025, we achieved 100% traceability of the origin of our raw materials and confirmed that all raw materials were free of conflict minerals.

Product Quality

We adhere to the quality policy of customer satisfaction as the center, quality first as the focus, technological innovation as the core, and continuous improvement as the constant, and ensure professionalism and core competitiveness through independent business lines and a strict quality supervision system.

We implement quality management throughout the entire lifecycle of product manufacturing. From product inspection and audits to the treatment of non-conforming products, product traceability and continuous improvement in later stages, we have formulated a complete set of system and procedures, including the Inspection Control Procedure, the Product Audit Management Guidelines, the Annual Product Audit Plan, the Nonconforming Product Control Procedure, the Product Identification and Traceability Procedure, and the Continuous Improvement Procedure.

We strictly implement the Quality, HSPM and EHS Management Manuals to ensure effective quality control throughout production. We conduct annual external audits to optimise quality management. As of December 31, 2025, all production entities hold ISO 9001, ISO 13485, QC 080000 certifications, with automotive-related entities additionally holding IATF 16949. We also conduct quality training to enhance employees' quality awareness and professional skills.

Public Welfare and Charity

In the active practice of corporate social responsibility, we focus on rural revitalization, education, healthcare, and environmental protection. We continuously invest resources to support sustainable social development.

We implement a continuous charity plan supporting education and social welfare, including voluntary blood donation, assistance to needy employees, donations to special education schools for children with special needs, and university collaborations with scholarships, grants and project support. Additionally, we focus on innovation through renewable energy and smart electronics collaborations, fulfilling corporate social responsibility to contribute to economic and social development.

Governance

Business Ethics

We strictly adhere to applicable laws and regulations such as the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Anti-Money Laundering Law of the People's Republic of China. We establish a comprehensive anti-corruption framework and whistleblower mechanisms, and conduct internal audits of anti-bribery and anti-corruption policies and business ethics standards, fostering a clean and upright business environment.

We uphold the principles of honesty and fairness in business activities, carry out the business work in accordance with the Anti-Bribery Management Regulations, and stipulate in the Employee Handbook that employees shall not take advantage of the convenience of their work or position to provide, request, accept or promise improper benefits to the relevant parties, as well as any embezzlement and bribery and other unlawful and disorderly conduct. In the event of any violation, we have the right to unilaterally terminate the labor contract.

We have established whistleblowing channels in different forms, including reporting mailboxes and telephones. We firmly reject any retaliation against whistleblowers and effectively protect their rights and interests of whistleblowers. The work is reported directly to the Audit Committee.

PROPERTIES

As of December 31, 2025, we occupied certain properties for business operations. Such properties are used for non-property businesses as defined in Section 5.01(2) of the Listing Rules and consist primarily of our production facilities, warehousing facilities, offices, sales and customer service offices and R&D centers. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus 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 requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets.

Owned Properties

As of December 31, 2025, we owned properties in 39 locations with an aggregate gross floor area of 3,409,194 sq.m. As of the Latest Practicable Date, we had not obtained property ownership certificates for 60 major self-owned buildings, with an aggregate gross floor area of approximately 153,582.15 sq.m. Among these, 22 buildings with an aggregate gross floor area of 64,036.37 sq.m. are used for production and operational purposes, while the remaining buildings are used for non-production and non-operational purposes. In addition, our two construction projects with a total gross floor area of 197,125.08 square meters were recently completed and are currently in the process of obtaining the real property ownership certificates. These buildings are identified as major buildings on the basis that they are owned by our major subsidiaries under the PRC legal opinion, namely subsidiaries (i) any of whose financial data, such as revenue, total profit or total assets, accounted for more than 5% of the corresponding financial data in our consolidated financial statements during any period within the Track Record Period; or (ii) which, as of the end of the Track Record Period, held significant fixed assets or material intellectual property rights and were of importance to our business.

The reasons for the failure to obtain property ownership certificates include, among others, the absence of necessary construction approval documents, such as the failure to obtain the Construction Project Planning Permit, the lack of valid and lawful ownership certificates for the properties at the time of acquisition, the pending completion of ownership registration procedures for pre-sold commercial properties purchased from third parties and that the Company is in the process of obtaining the real property ownership certificates for its construction projects upon their completion. Under PRC law, where a Construction Project Planning Permit has not been obtained, real estate ownership registration cannot be completed and, accordingly, the relevant property ownership certificate cannot be issued. We have been advancing the application for the real estate ownership certificates for the above properties and have commenced the necessary construction approval procedures for those properties requiring such formalities. The gross floor area of the aforementioned properties accounts for a relatively small proportion of the total gross floor area of all properties used by us and such properties are not critical to our business operations, accordingly, such non-compliance will not have a material adverse effect on our overall production and operation. According to the penalty provisions stipulated in the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) where construction proceeds without obtaining a construction project planning permit or fails to comply with the provisions of such permit, the competent urban and rural planning authority of the local people's government at or above the county level shall order cessation of construction. Where corrective measures may still be taken to eliminate the impact on planning implementation, rectification shall be required within a specified period, subject to a fine of not less than 5% but not more than 10% of the construction project cost. Where corrective measures cannot eliminate the impact, demolition shall be ordered within a specified period. Where demolition is impracticable, the physical structure or illegal income shall be confiscated, and a fine of not more than 10% of the construction project cost may be imposed concurrently.

Leased Properties

As of December 31, 2025, we leased properties in 39 locations with an aggregate gross floor area of 2,159,581 sq.m. According to applicable PRC laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within a prescribed time period. As of the Latest Practicable Date, we have leased a total of 26 major buildings from third parties for production and operational purposes in Chinese Mainland, with an aggregate gross floor area of approximately 623,965.43 sq.m., and had not filed some of the lease agreements for these properties, due to the lessors' failure to cooperate at the time of lease. Such buildings are leased by our domestic subsidiaries whose absolute values of any of the following financial data, such as revenue, total profit or total assets, in any period during the Track Record Period, accounted for more than 5% of the corresponding financial data in our consolidated financial statements, or which, as of the end of the Track Record Period, held important fixed assets or significant intellectual property rights and were of business importance, for production and operational purposes in Chinese Mainland. As advised by our PRC Legal Adviser, the absence of registrations will not affect the validity of the lease agreements, nor materially and adversely affect our operations but we may be ordered by relevant competent authorities to complete the filing within a designated time limit, and may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to do so within the time limit. As advised by our PRC Legal Adviser, given that the non-compliance properties are not critical to our business operations, if the filing of these lease agreements can be completed in accordance with relevant laws and regulations within the prescribed time limit ordered by the competent governmental authorities, such circumstances would not have any material adverse impact on our business operations. We are proactively liaising with property owners to obtain the required documents for lease agreement filings, and will proceed with the filings once the documents are available. For future leases, we will communicate with the lessors prior to entering into the lease agreement to ensure the compliance with applicable laws and regulations.

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. Based on the consultation with our PRC Legal Adviser, adviser to Finnish laws, adviser to Indian laws, adviser to Singapore laws and adviser to Hong Kong laws, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits, if any, from relevant authorities that are material to the operation of our main existing business. The following table sets forth the licenses, approvals and permits that are material to our operations in the PRC as of December 31, 2025:

Licenses, Approvals, Permits	Holder	Date of Grant	Date of Expiration
Filing Certificate for Customs Clearance	Our Company	–	–
Filing Certificate for Customs Clearance	Dongguan Obi-di Precision Hardware Co., Ltd. (東莞市歐比迪精密五金有限公司)	–	Indefinite
Enterprise Import and Export Credit Information Filing Registration of China Customs	A-CORE Jiangmen Electronics Co., Ltd. (江門安磁電子有限公司)	–	2099.12.31
Filing Certificate for Customs Clearance	Dongguan Lingjie	–	Indefinite
Filing Certificate for Customs Clearance	Chengdu Lingyi Technology Co., Ltd. (成都領益科技有限公司)	–	Indefinite

Licenses, Approvals, Permits	Holder	Date of Grant	Date of Expiration
Customs Declaration Unit Registration Information Form	Guilin Salcomp Electronic Technology Co., Ltd. (桂林賽爾康電子技術有限公司)	2026.04.29	–
Filing Certificate for Customs Clearance	LS City Technology (Jiangsu) Co., Ltd. (領勝城科技(江蘇)有限公司)	–	Indefinite
Filing Certificate for Customs Clearance	Lingsheng Electronic	–	Indefinite
Filing Certificate for Customs Clearance	Lingyi Technology	–	Indefinite
Customs Declaration Unit Registration Information Form	Salcomp (Shenzhen) Co., Ltd. (賽爾康技術(深圳)有限公司)	2008.01.24	2099.12.31

According to our PRC Legal Adviser, there is no material legal impediment to the renewal of the above licenses, approvals and permits. Our directors believe that we had obtained all necessary licenses, approvals and permits that are material to our business during the Track Record Period and up to the Latest Practicable Date.

INDIRECT IMPACT RELATING TO TARIFFS, EXPORT CONTROL, AND ECONOMIC SANCTIONS

Regarding our procurement process, as of the date of this Prospectus, China has imposed a 10% additional retaliatory tariff specifically on goods originating from the U.S., with no similar additional tariff measures applied to other countries or regions. Given that U.S.-origin raw materials account for less than 0.5% of our total procurement value — a relatively minor proportion of our overall supply chain — we believe these tariff measures do not have a material impact on our procurement operations. Furthermore, in terms of export controls and international sanctions, although a portion of the raw materials we procure is subject to the U.S. Export Administration Regulations, not all procurements of the aforementioned items are subject to restrictions; rather, such restrictions apply only to specific items subject to control measures targeting China. Only items falling under specific Export Control Classification Numbers are subject to stringent licensing requirements or restrictions. As of the date of this Prospectus, we have not experienced any reduction or cancellation of purchase orders by upstream suppliers due to export controls or sanctions. Additionally, we have received no notifications from suppliers regarding specific export control restrictions or licensing requirements related to the goods sold to us. Consequently, we are of the view that current export control and international sanction measures do not have a material adverse effect on our procurement process.

Regarding our downstream sales, as of the date of this Prospectus, although the general 10% Section 122 tariffs have been ruled invalid by the CIT, the Federal Circuit has entered an administrative stay, suspending the implementation of the CIT's order. Therefore, the tariffs are still being collected by the U.S. government; however, such measures remain subject to frequent adjustments. During each year of the Track Record Period, to the best of our knowledge, the revenue derived from our products exported to the U.S. accounted for only 0.16% in 2023, 0.76% in 2024, and 0.36% in 2025, respectively of our total revenue. Furthermore, we have not experienced any cancellation or reduction of orders from downstream customers attributable to U.S. tariff measures. Accordingly, we believe that the relevant tariff measures do not have a material impact on our business operations. In terms of export controls and international sanctions, although items subject to the U.S. Export Administration Regulations are not limited to U.S.-origin items but may also encompass items manufactured in other countries (for instance, those incorporating a certain percentage of U.S.-origin content), our products do not fall within the aforementioned scope.

Consequently, our sales activities do not constitute a violation of the U.S. Export Administration Regulations. Additionally, we have not engaged in any sanctioned activities, nor have we been subject to sanctions risks under applicable sanctions guidance. Consequently, we are of the view that the relevant export control and sanction measures do not have a material adverse effect on our downstream sales or overall financial position.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

Based on the consultation with our PRC Legal Adviser, adviser to Finnish laws, adviser to Indian laws, adviser to Singapore laws and adviser to Hong Kong laws, the business operations we engaged in had been carried out in compliance with applicable PRC, Finnish, Indian, Singapore and Hong Kong laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. Our directors believe that we had complied with all applicable laws and regulations in all jurisdictions in which we operate during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continuously improving these systems. We have adopted and implemented risk management policies in various aspects of our business operations. Our Board is responsible for the establishment and updating of our internal control systems, while our internal audit department monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

In preparation for the Listing, we have engaged an Independent Third Party consultant (Internal Control Consultant) to perform a review over selected areas of our internal controls over financial reporting in 2025 (Internal Control Review). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between us and the Internal Control Consultant. The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included entity-level controls and business process level controls, including (i) financial reporting procedures and disclosure control, (ii) revenue, sales, trade receivables and collection procedures, (iii) procurement, trade payable, fees and payment, (iv) production and costing, (v) inventory management and logistics, (vi) bank, cash and fund management, (vii) asset management, (viii) engineering management, (ix) human resources and salary management, (x) taxes, (xi) IT general controls, and (xii) R&D and IP management. Following the Internal Control Review, we implemented rectification and improvement measures, as appropriate, in response to the findings and recommendations of the Internal Control Consultant. The Internal Control Consultant performed follow-up review procedures to assess the effectiveness of our internal control system and did not identify any material deficiencies in our internal control system.

AWARDS AND RECOGNITIONS

The following table sets forth the material awards we received as of the Latest Practicable Date:

Award/Recognition	Award Authority	Award Year
Fortune China 500	Fortune	2018 to 2025
2025 First World Humanoid Robot Games – Dual Champion in “Mixed Material Sorting” and “Material Handling” Skills Competition (2025 首次世界人形機器人運動會“混料分揀技能競技”及“物料搬運技能競技”比賽雙料冠軍)	World Humanoid Robot Games	2025
2025 First World Humanoid Robot Games – Third Place in “Material Organizing” Skills Competition (2025 首次世界人形機器人運動會“物料整理技能競技”比賽季軍)	World Humanoid Robot Games	2025
Top 500 Chinese Private Enterprises (中國民營企業500強)	All-China Federation of Industry and Commerce	2024-2025
ESG Potential Case Study (企業ESG潛力案例)	Ministry of Ecology and Environment of China	2025
China Best Managed Companies (中國卓越管理公司)	BMC	2025
2024 Xiaomi Global Core Supplier Conference – Best Partner (2024年小米全球核心供應商大會-最佳合作夥伴)	Xiaomi	2024
2024 Lenovo Group Global Supplier Conference – Perfect Quality Award (2024聯想集團全球供應商大會–完美質量獎)	Lenovo	2024
Outstanding Strategic Partner Award (京東方傑出戰略夥伴獎)	BOE	2024
Honor ‘Gold Medal in Quality Management’ (榮耀“質量管理金牌獎”)	Honor	2024
Perfect Quality (PERFECT QUALITY)	Lenovo	2024
Kyocera Supplier QCC Achievement Presentation – Excellence Award (京瓷供應商QCC成果發表大會優秀獎)	Kyocera Office Equipment Technology (Dongguan) Co., Ltd.	2024
FXCD Macbook Project ‘2024Y Excellent Quality Award’ (FXCD Macbook項目“2024Y優秀質量獎”)	FXCD	2024
XREAL ‘2024 Excellent Partner of the Year’ (XREAL“2024年度優秀合作夥伴”)	XREAL	2024
Terminal Changan OPPO Customer ‘Excellent Quality Award’ (終端長安OPPO客戶“質量優秀獎”)	Changan OPPO	2024
QCC Bronze Award (QCC銅獎)	Shenzhen Quality Association	2024
QCC Excellence Award (QCC優秀獎)	Shenzhen Quality Association	2024
Six Sigma First Prize (六西格瑪一等獎)	Guangdong Quality Association	2024
Quality Innovation and Improvement First Prize (質量創新與質量改進一等獎)	Guangdong Quality Association	2024
2nd Special Robot Industry Chain ‘Unveiling’ Activity – Winning Unit (第二屆特種機器人產業鏈“揭榜”活動優勝單位)	Special Industry Chain Unveiling Promotion Task Force	2024
6th Dongguan Industrial Engineering and Lean Management Innovation Competition – First Prize (第六屆東莞市工業工程與精益管理創新大賽一等獎)	Dongguan Lean Production Research Association	2024
6th Guangdong and Greater Bay Area Industrial Engineering Innovation Competition – First Prize (第六屆廣東省暨粵港澳大灣區工業工程創新大賽一等獎)	Guangdong Mechanical Engineering Society	2024

BOARD OF DIRECTORS

Upon Listing, our Board will comprise seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive re-appointments. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

The following table sets out certain information of our Directors.

Name	Age	Position/Title	Time of Joining the Group	Date of Appointment as a Director	Role and Responsibility
Executive Directors					
Ms. Zeng Fangqin (曾芳勤)	60	Chairwoman of the Board, executive Director and general manager	December 2, 2011	February 28, 2018	Responsible for the Group's strategic development planning and operational management
Mr. Jia Shuangyi (賈雙誼)	47	Vice chairperson of the Board, executive Director and chief human resources officer	December 1, 2020	April 20, 2021	Responsible for human resources management of our Group
Ms. Huang Jinrong (黃金榮)	46	Executive Director (employee representative Director) and senior director of finance department	October 31, 2016	May 22, 2023	Responsible for providing expertise in daily financial operations of our Group
Non-executive Director					
Ms. Wei Zhenghui (尉徵慧)	57	Non-executive Director	September 26, 2025	September 26, 2025	Responsible for Board-level decision-making, oversight of management, risk management, and providing professional advice to protect the interests of the Company and its Shareholders
Independent Non-executive Directors					
Dr. Lau Kin Shing Charles (劉健成)	70	Independent non-executive Director	June 7, 2021	June 7, 2021	Supervising and providing independent judgment to the Board
Dr. Cai Yuanqing (蔡元慶)	56	Independent non-executive Director	October 28, 2022	October 28, 2022	Supervising and providing independent judgment to the Board
Mr. Ruan Chao (阮超)	41	Independent non-executive Director	September 20, 2024	September 20, 2024	Supervising and providing independent judgment to the Board

Executive Directors

Ms. Zeng Fangqin (曾芳勤), aged 60, is serving as our chairwoman of the Board, a Director, and the general manager of the Company, primarily responsible for the Group's strategic development planning and operational management. Ms. Zeng was re-designated as our executive Director in October 2025.

Ms. Zeng has extensive experience in business, management, and intelligent manufacturing sectors. She founded Lingyi Technology Group with the establishment of Lingyi Technology in July 2012. Ms. Zeng served as the legal representative, executive director, and manager of Lingyi Technology from July 2012 to July 2020. Following the completion of the Reverse Acquisition in March 2018, Ms. Zeng has been serving as the chairwoman of the Board, Director the general manager of our Company since then.

Ms. Zeng currently serves as executive directors of certain principal subsidiaries of our Company including Shenzhen LLmachine, Shengxiang Precision Metal (Dongguan) Co., Ltd. (東莞盛翔精密金屬有限公司), Dongguan Lingyi Precision Manufacturing Technology Co., Ltd. (東莞領益精密製造科技有限公司), LS City Technology (Jiangsu) Co., Ltd. (領勝城科技(江蘇)有限公司), and Chengdu Lingyi Technology Co., Ltd. (成都領益科技有限公司).

Mr. Jia Shuangyi (賈雙誼), aged 47, has been serving as a Director of the Company since April 2021 and was re-designated as our Executive Director in October 2025. Mr. Jia joined our Company in December 2020 and has been serving as the chief human resources officer since January 2026. Mr. Jia has also been our vice chairperson of the Board since April 2021. Mr. Jia is primarily responsible for human resources management of our Group. Mr. Jia currently serves as the director of Lingyi Industry (Zhuhai) Co., Ltd. (領懿實業(珠海)有限公司), a wholly-owned subsidiary of our Company.

Mr. Jia has over 20 years of experience in human resources management and team development. Prior to joining our Group, Mr. Jia worked at the American Management Association (China) from November 2001 to November 2020 with his last position as vice president of sales and talent solutions, where he was primarily responsible for providing a wide range of management training and educational services to individuals and organizations.

Mr. Jia obtained his bachelor's degree in economics from Zhengzhou University (鄭州大學) in July 2001.

Ms. Huang Jinrong (黃金榮), aged 46, has been serving as a Director of the Company since May 2023 and was re-designated as our Executive Director in October 2025. Ms. Huang joined our Group in October 2016 and has been serving as a senior director of finance department since January 2023. Ms. Huang is primarily responsible for providing expertise in daily financial operations management of our Group. She is also responsible for consulting employees on major decisions and conveying board resolutions, representing employees' interests, and reporting to the employee representative meeting on the performance of her duties as an employee representative director. Ms. Huang currently holds several directorships, supervisory roles, and senior positions in a number of subsidiaries of our Company, including but not limited to Lingyi Industry (Zhuhai) Co., Ltd. (領懿實業(珠海)有限公司), Guilin Lingyi Manufacturing Co., Ltd. (桂林領益製造有限公司), Shenzhen Lingyi Technology Supply Chain Management Co., Ltd. (深圳市領懿科技供應鏈管理有限公司), Shenzhen Lingyi Liangcai Trading Co., Ltd. (深圳市領益亮彩貿易有限公司) and Dongguan Lingjie.

Ms. Huang has over 15 years of experience in finance industry. Prior to joining our Group, Ms. Huang worked at Dongguan Taite Glass Products Co., Ltd. (東莞市泰特玻璃製品有限公司) from 2010 to 2016, where she was mainly responsible for financial matters.

Ms. Huang completed an accounting program through correspondence from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in June 2020. Ms. Huang was accredited as a non-practicing Certified Public Accountant in April 2021.

Non-executive Director

Ms. Wei Zhenghui (尉徵慧), aged 57, has been serving as a Director of the Company since September 2025 and was re-designated as our non-executive Director in October 2025. Ms. Wei is primarily responsible for board-level decision-making, oversight of management, risk management, and providing professional advice to protect the interests of the Company and its Shareholders.

Ms. Wei has years of experience in human resources and corporate management across various industries. She previously served as the human resources director at China Grand Group Co., Ltd. (中國遠大集團有限責任公司) and later held positions as a director and vice president at Siyuan Xingye Real Estate Brokerage Co., Ltd. (北京思源興業房地產經紀有限公司), now known as Beijing Siyuan Xingye Real Estate Services Group Co., Ltd. (北京思源興業房地產服務集團股份有限公司). Subsequently, she joined KE Holdings Inc. (貝殼控股有限公司), a company listed on the New York Stock Exchange (ticker: BEKE) and the Hong Kong Stock Exchange (stock code: 2423.HK), as the vice president, where she worked from 2015 to 2024. Since January 2024, Ms. Wei has been serving as a partner at Beijing Linkage Times Media Co., Ltd. (北京鏈接時代傳媒有限公司).

Ms. Wei received a bachelor's degree in science from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 1991.

Independent Non-executive Directors

Dr. Lau Kin Shing Charles (劉健成), aged 70, was appointed as an independent Director of our Company in June 2021 and re-designated as an independent non-executive Director in October 2025. He is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Lau has over 20 years' experience in finance, corporate governance, and compliance. From February 2000 to April 2010, he worked at China Resources Enterprise Limited (華潤創業有限公司) (currently known as China Resources Beer (Holdings) Company Limited (華潤啤酒(控股)有限公司)), a company listed on the Stock Exchange (stock code: 0291.HK) with his last position as vice president and internal audit director, responsible for internal audit. From March 2010 to November 2012, he successively served as the chief financial officer and the joint company secretary of Miramar Hotel and Investment Company, Limited (美麗華酒店企業有限公司), a company listed on the Stock Exchange (stock code: 0071.HK), responsible for group corporate planning and control. From December 2012 to March 2014, he served as the executive director, chief investment officer, and company secretary of China Public Procurement Limited (中國公共採購有限公司) (currently known as Cherish Sunshine International Limited (承輝國際有限公司)), a company listed on the Stock Exchange (stock code: 1094.HK), responsible for investment-related work. From December 2013 to August 2015, he worked as the chief operating officer of ImagineX Overseas Limited (俊思海外有限公司), responsible for brand management and distribution. From August 2015 to September 2020, he served as the chief financial officer and company secretary at Sitoy Group Holdings Ltd. (時代集團控股有限公司), a company listed on the Stock Exchange (stock code: 1023.HK), responsible for compliance-related work. Dr. Lau successively served as an executive director and non-executive director of Sitoy Group Holdings Ltd. (時代集團控股有限公司) from June 2017 to November 2024. He also served as the independent non-executive director of China Financial Leasing Group Limited (中國金融租賃集團有限公司), a company listed on the Stock Exchange (stock code: 2312.HK), from September 2023 to September 2025 and the independent non-executive director of Zibuyu Group Limited (子不語集團有限公司), a company listed on the Stock Exchange (stock code: 2420.HK), from October 2022 to November 2025. Dr. Lau currently serves as an independent non-executive director of KOS International Holdings Limited (高奧士國際控股有限公司) (stock code: 08042.HK), a company listed on the Stock Exchange, since February 2021 and an independent director of CL Workshop Group Limited, a company listed on NASDAQ (ticker: NWGL), since September 2023.

Dr. Lau was awarded the honorary title of "Model Worker of Central Enterprises" by 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) in April 2009.

Dr. Lau obtained a bachelor's degree in business from Curtin University of Technology (currently known as Curtin University) in Australia in August 1993, a master's degree in business administration from the University of South Australia in Australia in May 1998, a master's degree in science from the National University of Ireland in Ireland in October 1999 and a doctor of business administration degree from the University of Newcastle in Australia in July 2008.

Dr. Lau became a member of the Certified General Accountants' Association of Canada in June 1991, a member of the Hong Kong Institute of Certified Public Accountants in July 2001, a Certified Practising Accountant of CPA Australia in March 2001 and was advanced to a Fellow of CPA Australia in June 2001, a member of the Hong Kong Institute of Directors in December 2002, a Chartered Accountant of the Institute of Chartered Accountants of New Zealand in February 2004, a Fellow of the Chartered Professional Accountants of British Columbia in June 2015 and a Chartered Professional in Human Resources of CPHR British Columbia & Yukon in October 2016.

Dr. Cai Yuanqing (蔡元慶), aged 56, was appointed as an independent Director of our Company in October 2022 and was re-designated as an independent non-executive Director in October 2025. He is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Cai has more than 25 years of experience in legal education, corporate governance and arbitration. He pursued legal studies and research in Japan, serving as a visiting researcher at the Faculty of Law of Hiroshima University from April 2000 to March 2001. From July 2001 to December 2003, he was a lecturer at the School of Law of Shenzhen University (深圳大學法學院). He was promoted to associate professor in December 2003 and to professor in December 2007 and has been serving as a professor since then. He served as an arbitrator at the Shenzhen Court of International Arbitration from February 2014 to February 2019. Dr. Cai currently holds several academic and professional positions, including vice president of the Guangdong Civil and Commercial Law Society (廣東省法學會民商法學研究會), council member of the Fourth Council of the China Commercial Law Society (中國商法學研究會) and arbitrator at the Zhuhai International Arbitration Court (珠海國際仲裁院).

In addition to his academic career, Dr. Cai has served as an independent director for several companies listed on the Shenzhen Stock Exchange, including Allmed Medical Products Co., Ltd. (奧美醫療用品股份有限公司) (stock code: 002950.SZ) from September 2016 to September 2022, Shenzhen Textile (Holdings) Co., Ltd. (深圳市紡織(集團)股份有限公司) (stock code: 000045.SZ) from July 2017 to December 2023, OFILM Group Co., Ltd. (歐菲光集團股份有限公司) (stock code: 002456.SZ) from July 2017 to August 2023, China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) (stock code: 001979.SZ) from September 2018 to November 2024, Shenzhen CECport Technologies Co., Ltd. (深圳中電港技術股份有限公司) (stock code: 001287.SZ) since March 2021 and Mehow Innovative Ltd. (深圳市美好創億醫療科技股份有限公司) (stock code: 301363.SZ) since October 2025.

Dr. Cai received a bachelor's degree in economics from Shandong University (山東大學) in the PRC in July 1991, a master's degree in law from Kumamoto University in Japan in March 1997, and a doctoral degree in law from Hiroshima University in March 2000.

Mr. Ruan Chao (阮超), aged 41, was appointed as an independent Director of our Company in September 2024 and was re-designated as an independent non-executive Director in October 2025. He is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Ruan has over 15 years of experience in investment banking, corporate finance, and financial advisory. He began his career at Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), where he worked from June 2008 to September 2019, holding positions such as project manager and department head in the mergers and acquisitions department and the investment banking division. Since October 2019, Mr. Ruan has been serving as the executive director and general manager of Wenyi Fuxin (Hangzhou) Financial Advisory Co., Ltd. (文藝馥欣(杭州)財務顧問有限公司). Mr. Ruan has also been serving as an independent director of Wuchan Zhongda Geron Co., Ltd. (物產中大金輪藍海股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002722.SZ), since July 2022.

Mr. Ruan received his master's degree in economics from Nankai University (南開大學) in the PRC in June 2008.

Further Information of our Directors

Save as disclosed above in this section, none of our Directors has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately prior to the Latest Practicable Date.

Save as disclosed in this section, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

As of the Latest Practicable Date, save as disclosed in "Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders" in Appendix IV to this Prospectus, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO. As of the Latest Practicable Date, none of our Directors or senior management is related to other Directors or senior management of our Company.

Ms. Zeng was the director of Shenzhen Shekou Fishing Port Industry Co. LTD (深圳市蛇口漁港實業有限公司) ("Shekou Fishing Port"), a company incorporated in the PRC which was de-registered in February 8, 2002 due to revocation of its business license. As of the time of the deregistration, Shekou Fishing Port was not insolvent, nor had any outstanding liabilities nor was involved in any pending claims. To the best knowledge of our Directors, the business licenses of Shekou Fishing Port was revoked because they failed to carry out annual inspections due to the cessation of business. This revocation did not result in any penalties or fines imposed by any competent authorities, nor did it give rise to any outstanding or potential claims or liabilities against Shekou Fishing Port or Ms. Zeng.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company (other than our executive Directors):

Name	Age	Position/Title	Time of Joining the Group	Time of Appointment as Senior Management	Role and Responsibility
Mr. Wang Tao (王濤)	41	Financial controller and chief financial officer	June 20, 2022	September 16, 2022	In charge of the overall financial affairs of the Company
Mr. Guo Rui (郭瑞)	42	Vice president and secretary of the Board	July 19, 2022	September 16, 2022	In charge of the information disclosure, investment and acquisition and investor relations management

Mr. Wang Tao (王濤), aged 41, has been the financial controller and chief financial officer of our Company since September 2022. He joined our Company in June 2022 and served as the vice president of finance from June 2022 to September 2022. He is primarily responsible for the overall financial affairs of the Company.

Mr. Wang has over 10 years of experience in corporate finance and supply chain financial management. From November 2011 to May 2019, he successively served as the head of finance for the overseas business division and the director of the supply chain finance department at ZTE Corporation (中興通訊股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000063.SZ) and the Stock Exchange (stock code: 0763.HK). He then joined Gosuncn Technology Group Co., Ltd. (高新興科技集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300098.SZ), where he served as chief financial officer and executive vice president from September 2019 to May 2022.

Mr. Wang received his bachelor's degree in management from Northeastern University (東北大學) in the PRC in June 2007 and his master's degree in business administration from Sun Yat-sen University (中山大學) in the PRC in June 2021.

Mr. Guo Rui (郭瑞), aged 42, has been the vice president of our Company since July 2022 and was appointed as the secretary of the Board in September 2022. He is primarily responsible for the information disclosure, investment and acquisition and investor relations management.

Mr. Guo has over a decade of experience in investment management and corporate governance. From August 2015 to August 2019, he served as a fund manager at Orient Fund Management Co., Ltd. (東方基金管理股份有限公司), where he was responsible for portfolio investment and fund operations. He subsequently joined Qingdao Yuehai Yinghe Fund Investment Management Co., Ltd. (青島悅海盈和基金投資管理有限公司) as investment director and general manager from January 2020 to January 2021. From February 2021 to July 2022, Mr. Guo served as deputy general manager and board secretary of OFILM Group Co., Ltd. (歐菲光集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002456.SZ).

Mr. Guo obtained his board secretary qualification from the Shenzhen Stock Exchange in January 2021 and was awarded the "Golden Board Secretary" title in both the 20th and 21st New Fortune (新財富) rankings.

Mr. Guo received a bachelor's degree in science from Tsinghua University (清華大學) in the PRC in July 2005 and a master's degree in science from the Graduate School of the Chinese Academy of Sciences (中國科學院研究生院) in the PRC in July 2008.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she does not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business, which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in November 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 independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointment.

JOINT COMPANY SECRETARIES

Mr. Guo Rui (郭瑞), was appointed as our joint company secretary in October 2025. Please refer to "— Senior Management" in this section for the biographical details of Mr. Guo.

Ms. CHAN Wing Yan (陳詠欣) , was appointed as our joint company secretary with effect from Listing Date.

Ms. CHAN Wing Yan has over 8 years of experience in company secretarial practice and corporate governance across Hong Kong, the broader APAC region, and offshore jurisdictions. Her experience spans trust or company service providers, offshore registered office providers and law firms, where she supported an extensive portfolio of corporate clients, including pre-IPO companies and listed entities operating across multiple jurisdictions.

She is currently a member of the Entity Solutions team at Computershare Hong Kong Investor Services Limited. In this capacity, she specialises in global entity compliance, advising and supporting clients across Hong Kong and multiple APAC jurisdictions. Ms. CHAN holds a Bachelor's degree in Business and Commerce from Monash University, Australia. She is an associate member of both The Hong Kong Chartered Governance Institute ("HKCGI") and The Chartered Governance Institute in the United Kingdom. She has also completed the ESG Reporting Certification Course (based on Hong Kong practice) and the AML/CFT Certification Course with the HKCGI.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy and Development Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee consists of three Directors, namely Dr. Lau Kin Shing Charles, Dr. Cai Yuanqing and Mr. Ruan Chao. Dr. Lau Kin Shing Charles, who possesses the appropriate professional accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to, reviewing the Company's financial information and its disclosure, and monitoring and evaluating internal and external audit work and internal controls, and exercising the supervisory powers prescribed under the Company Law of the People's Republic of China (中華人民共和國公司法).

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Ruan Chao, Dr. Lau

Kin Shing Charles and Mr. Jia Shuangyi. Mr. Ruan Chao serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, formulating evaluation standards for our Directors and senior management of the Company, implementation of measures in response to such evaluation, and formulating and reviewing the remuneration policies and plans for Directors and senior management of the Company.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Cai Yuanqing, Mr. Ruan Chao and Ms. Huang Jinrong. Dr. Cai Yuanqing serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, developing standards and procedures for the election of our Directors and senior management of the Company, selecting and examining the qualifications of the candidates for our Directors and senior management of the Company, and reviewing the structure, size and composition of the Board at least annually, assist the Board in maintaining a board skills matrix and making recommendations on any proposed changes to our Board.

Strategy and Development Committee

We have established a Strategy and Development Committee with written terms of reference. The Strategy and Development Committee consists of three Directors, namely Ms. Zeng, Mr. Jia Shuangyi and Ms. Wei Zhenghui. Ms. Zeng serves as the chairwoman of the Strategy and Development Committee. The primary duties of the Strategy and Development Committee include, but are not limited to, conducting research and making recommendations on our Company's long-term development plans, business strategies and objectives, and major strategic investment and financing proposals.

REMUNERATION

Our Directors receive their remuneration in the form of salaries, allowance, bonuses, share-based payments, housing fund, retirement and other benefits in kind.

For the years ended December 31, 2023, 2024 and 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB10.3 million, RMB13.4 million and RMB22.2 million, respectively.

Under the current compensation arrangement, excluding discretionary bonuses, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB12.5 million.

For the years ended December 31, 2023, 2024 and 2025, there were nil, one and nil Directors or supervisors among the five highest paid individuals, respectively. The total emolument for the remaining individuals among the five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 were RMB40.5 million, RMB33.2 million and RMB84.3 million respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the Listing.

Pursuant to paragraph C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between chairperson and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairwoman and general manager, and Ms. Zeng currently performs the roles of the chairwoman of our Board and the general manager of our Company. Ms. Zeng has assumed the role of chairwoman of our Board and the general manager since March 2018, given that she has extensive experience in the business operations and management of our Company. Our Board believes that, in view of her experience, personal profile and her roles in our Company as mentioned above, Ms. Zeng is the Director best suited to identify strategic opportunities and the focus of the Board due to her extensive understanding of our business. The Board also believes that vesting the roles of both chairwoman of the Board and general manager of the Company in the same person has the benefit of (i) ensuring consistent leadership within the Company, (ii) enabling more effective and efficient overall strategic planning and streamlining the execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Company. The Board considers that the balance of power and authority in the present arrangement is not compromised, given the size of the Board, oversight from the independent non-executive Directors, and robust senior management team, and believes that this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to evaluate the roles of chairwoman of the Board and general manager of the Company at an appropriate time, taking into account the circumstances of the Company as a whole.

Save as disclosed above, our Directors consider that we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules upon Listing.

BOARD AND WORKPLACE DIVERSITY POLICY

We are committed to promoting a culture of diversity in the Company. In order to maintain a robust corporate governance structure and to achieve sustainable and balanced corporate development, we have adopted a board and workplace diversity policy (the "**Diversity Policy**") which sets out the objectives for and approaches to achieving and maintaining diversity at the Company.

Pursuant to the Diversity Policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, age, cultural and educational background, and professional experience. The ultimate decision of each appointment will be based on merit and the contribution which the selected candidates are expected to bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to depth of experience in the areas of business operations, intelligent manufacturing, finance, accounting, corporate governance, corporate compliance, human resources management, team development, legal education, investment management and supply chain financial management. We have three independent non-executive Directors with different industry backgrounds, with solid professional experiences in the fields of accounting, finance and law, and representing approximately 42.9% of the members of our Board.

Our Company has evaluated the structure, size and composition of our Board, taking into account the skills matrix of Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors will enable our Company to maintain a high standard of operations. This is evidenced by the fact that our Directors range in age from 41 to 70 years old, and our Board comprises three female Directors and four male Directors. Taking into account our existing business model and specific needs, as well as the different backgrounds of our Directors, the composition of our Board satisfies our Diversity Policy. Our Nomination Committee is responsible for ensuring the diversity of our Board, and will continue to be responsible for the same after the Listing.

Apart from diversity within our Board, we recognize the importance of gender diversity, which we have taken, and will continue to take, steps to promote at all levels of our Company, including at the Board, senior management and workforce (excluding senior management) level. Going forward, in accordance with the Diversity Policy, we will not have any single gender Board, and will ensure the gender diversity in the Nomination Committee at all the times, and we will continue to work to enhance gender diversity when selecting and recommending suitable candidates across the Board, senior management and workforce (excluding senior management) levels. We will strive to enhance female representation within the Company and achieve an appropriately balanced gender ratio with reference to stakeholders' expectations and international standards and best practices. In particular, we aim to develop a pipeline of female employees from the workforce to reach senior management level and become potential successors to the Board by implementing comprehensive programs aimed at identifying and training our female employees who display leadership and potential.

After the Listing, our Nomination Committee will, among its other duties, review the Diversity Policy and its implementation from time to time to ensure its continued effectiveness, and we will disclose the Diversity Policy or a summary thereof in the corporate governance report of the Company on an annual basis.

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our compliance advisor (the "Compliance Advisor") pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that is announced by the Hong Kong Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the Compliance Advisor's appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was directly owned as to approximately 1.49% by Ms. Zeng, and approximately 56.64% by Lingsheng Investment. Lingsheng Investment is wholly owned by Ms. Zeng. Accordingly, Ms. Zeng and Lingsheng Investment are regarded as a group of Controlling Shareholders, collectively holding approximately 58.13% of the issued share capital of our Company as of the Latest Practicable Date.

Upon completion of the Global Offering (assuming no additional A Shares are issued under the 2024 Share Option Scheme), Ms. Zeng and Lingsheng Investment will be collectively interested in and control an aggregate of approximately 52.32% of the total issued share capital of our Company. Accordingly, Ms. Zeng and Lingsheng Investment remain as a group of Controlling Shareholders of our Company after the Listing. For background and biographical details of Ms. Zeng, see "Directors and Senior Management — Board of Directors — Executive Directors."

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Business

We are a leading high-precision intelligent manufacturing platform for electronic devices, delivering one-stop production services and solutions to customers worldwide. Guided by the principles of lean management, digitalization, automation and sustainability, we have built a full-spectrum product portfolio covering core materials, high-precision functional components, modules and assembled systems. Our platform powers a broad range of end markets including electronic devices (covering smart electronics, robotics and enterprise-grade servers), automotive and advanced air mobility.

The Business of our Controlling Shareholders

Lingsheng Investment is an investment holding company incorporated under the laws of the PRC on April 30, 2015. Apart from the business of our Company, the Controlling Shareholders also control companies which principally engage in holding and investment activities, property leasing, investment platforms with limited financial investments, or have no substantive business operations. A number of entities are involved in the production and sale of basic materials such as tapes, protective films, adhesives, catalysts and curing agents, as well as related material processing services, while others provide labour dispatch and human resources services (collectively, the "**Other Businesses**").

These businesses are fundamentally different from the Group's operations in various aspects. In terms of business nature, Other Businesses are primarily engaged in holding and investment activities, property leasing, labour dispatch and human resources services, with certain entities involved in the production and sale of basic materials such as tapes, protective films, adhesives, catalysts and curing agents. These businesses are generally focused on asset management, investment or providing single-function ancillary services. In contrast, the Group is dedicated to providing one-stop intelligent manufacturing services, covering the entire value chain from research and development to mass production, and is positioned as a strategic partner deeply integrated into the R&D lifecycle of its customers. In terms of product types, Other Businesses mainly offer basic materials (such as tapes, protective films and adhesives) or non-manufacturing services (such as property leasing and human resources dispatch), which primarily serve general demand and lack complex system integration. The Group, however, provides high-precision functional components, modular systems and assembled products for diversified end markets. Our product portfolio spans from core materials to system-level solutions, with an emphasis on customization and high performance. In terms of technology applied, Other Businesses mainly rely on traditional material processing or chemical formulations, without cross-domain technology integration. By contrast, the Group leverages proprietary process platforms and modular design systems, with strong capabilities in cross-domain technology integration (including material science, precision manufacturing and system integration). This enables the Group to support customers from the prototype stage through rapid iteration and scalable mass production. Given that the Other Businesses are distinctive and separate from the business of our Group as mentioned above, our Directors are of the view that there is a clear business delineation between our Group and the Other Businesses, which will not and is unlikely to compete with the business of our Group.

Each of our Controlling Shareholders confirms that she/it does not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETE UNDERTAKINGS

On July 25, 2017, the Controlling Shareholders have provided certain non-competition undertakings in favor of our Company on to avoid any potential competition between the Controlling Shareholders and our Company. Pursuant to such undertaking, each of the Controlling Shareholders has undertaken that, among others: (a) they do not engage in any business that competes with the Group, nor do it control any other enterprise that has a competitive business relationship with the Group; (b) during the period in which they hold direct or indirect equity in the Company, they shall not, in any manner, directly or indirectly participate in any business or activity that competes with the Group; (c) during the period in which they hold direct or indirect equity in the Company, it shall not use their shareholder status to harm the legitimate rights and interests of the Group or other shareholders, nor shall they impair the lawful interests of the Group; and (d) the above undertakings shall remain valid and irrevocable for as long as the they hold direct or indirect equity in the Company. Our independent non-executive Directors will review the Controlling Shareholders' compliance with the non-compete undertakings and that the Controlling Shareholders should provide all information necessary for the independent non-executive Directors' annual review.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are of the view that we are capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the Listing.

Management Independence

Our Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. Although Ms. Zeng is an executive Director, and she is our Controlling Shareholder, our management and operational decisions are made by our Board and senior management collectively, all of whom have substantial experience in the industry in which we are engaged and/or in their respective fields of expertise. Also, Ms. Zeng has a track record of devoting sufficient time and energy to discharge her duty as our Director and senior management member and she will continue to focus on our Group's business. When performing her duty as a Director, she has been and will continue to be supported by the senior management team of the Group. The balance of power and authority is ensured by the operation of the senior management and our Board. See "Directors and Senior Management" for further details.

- each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his duties as a Director and his/her personal interests;

- three out of our seven Directors are independent non-executive Directors who have extensive experience in different professions. They have been appointed pursuant to the requirements under the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. We believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board;

- our Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates have a material interest and shall not be counted in the quorum present at the particular Board meeting; and

- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance Measures."

Based on the above, our Directors believe that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their respective close associates. We are in possession of all relevant licenses, assets, copyrights, trademarks and other intellectual properties necessary to carry on and operate our business. We have independent access to suppliers and customers. In addition, we have sufficient operational capacity in terms of capital and employees to operate independently.

The section headed "Connected Transactions" in this Prospectus sets out certain continuing connected transactions between our Group and our Controlling Shareholders or their respective associates which will continue after the Listing. The terms of such transactions are determined after arm's length negotiations and on normal commercial terms. In addition, we are not and will not be bound to cooperate with our Controlling Shareholders or their respective associates unless we agree to do so under either of the connected transactions. We remain open to all forms of cooperation with other business partners that are independent from our Controlling Shareholders or their respective associates. In the event of cessation of such connected transactions, our Directors believe that we will have sufficient time and resources to locate other comparable business partners in the market considering that (a) the Group possesses solid resources and capabilities, including a sound financial position and stable cash flow, which enable the Group to establish new business relationships promptly; (b) the Group is supported by an experienced management team and professional staff, who are able to efficiently evaluate potential partners, and by an extensive network of customers and suppliers within the industry, which facilitates the identification of alternative arrangements; (c) the cooperation model in the industry in which the Group operates has become standardized, thereby minimizing operational disruption in the event of partner replacement; (d) the Group also benefits from sufficient time and buffer mechanisms, as existing contracts generally contain clear terms and exit arrangements, and transitional measures such as temporary procurement or short-term cooperation can be adopted to ensure business continuity; (e) the Group's scale and reputation enable potential partners to respond swiftly to new cooperation opportunities. According to Frost & Sullivan, China has a broad and well-developed supplier base, with over 1,000 comparable business partners available in the market, demonstrating the availability of sufficient alternative sources. The Company currently also sources some relevant raw materials and equipment from independent suppliers who are capable of providing comparable products and services. As disclosed in the "Connected Transactions" section, the Company conducts a price comparison process during procurement, comparing quotations from different suppliers to ensure that the procurement terms and prices are most favorable to the Company. Accordingly, such continuing connected transactions are not expected to affect our operational independence as a whole.

Based on the above, our Directors believe that our Group will be able to operate independently from our Controlling Shareholders and their respective close associates after the Listing.

Financial Independence

During the Track Record Period, we have obtained certain loans from Triumph Lead Group Limited, a company incorporated in Hong Kong indirectly wholly-owned by Ms. Zeng, and we have also obtained certain bank loans granted to the Group and bonds payables issued by the Group which were guaranteed by Ms. Zeng and Lingsheng Investment. For details, see note 35 of "Accountant's Report" in the Appendix I of this Prospectus. As of the Latest Practicable Date, all loans from Triumph Lead Group Limited have been fully settled, and all equity interest pledges and guarantees provided by the Controlling Shareholders in favour of our Group have been released and discharged in full.

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We make financial decisions according to our own business needs. Accordingly, we believe we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

Based on the above, our Directors believe that we have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Save as disclosed in "Directors and Senior Management" in this Prospectus, 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. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- 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 a Director shall not vote on any resolution in which such Director have a material interest in the company involved, and if the laws and regulations and the rules of the stock exchanges where our Shares are listed imposed any further restrictions on directors' attendance at board meetings and voting, such laws, regulations and rules shall be complied with;

- we have established internal control mechanisms to identify connected transactions. Upon the Listing, if we enter into connected transactions with any of our Controlling Shareholders or their respective associates, our Company will comply with the applicable Listing Rules;

- we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in "Directors and Senior Management — Board of Directors — Independent Non-executive Directors";

- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other hand, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through our annual report or by way of announcements; and

- we have appointed Guotai Junan Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

OVERVIEW

Prior to the Listing, our Company entered into certain transactions with our connected persons in the ordinary and usual course of business. Upon the Listing, the transactions disclosed in this section will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

The table below sets forth certain parties who will become our connected persons upon Listing and the nature of their relationships with our Company:

Connected Persons	Connected Relationship
Shenzhen Kingdom Electronic Co., Ltd. (深圳市博弛電子有限公司) ("Shenzhen Kingdom Electronic") (for itself and on behalf of its subsidiaries) ("Shenzhen Kingdom Electronic Group")	Shenzhen Kingdom Electronic is wholly-owned by Ms. Zeng, our Controlling Shareholder, and therefore a connected person of our Company upon Listing.
Lingsheng Investment (for itself and on behalf of its subsidiaries) ("Lingsheng Investment Group")	Lingsheng Investment is wholly owned by Ms. Zeng. Both Lingsheng Investment and Ms. Zeng are our Controlling Shareholders. Lingsheng Investment is therefore a connected person of our Company upon Listing.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transaction	Applicable Listing Rules	Waiver sought	Proposed annual caps for the year ending December 31,	
			2026	2027
			(RMB'000)	
Fully exempt continuing connected transactions				
Framework Agreements between our Group and Shenzhen Kingdom Electronic Group				
1. Shenzhen Kingdom Electronic Group Transportation Services Framework Agreement	14A.76(1)(c)	N/A	4,000	4,000
2. Shenzhen Kingdom Electronic Group Provision of Financing and Investment Service Framework Agreement	14A.76(1)(c)	N/A	3,000	3,000
3. Shenzhen Kingdom Electronic Group Products Sales Framework Agreement	14A.76(1)(c)	N/A	5,000	5,000
Partially Exempt Continuing Connected Transaction				
Framework Agreement between our Group, Shenzhen Kingdom Electronic Group and Lingsheng Investment Group[(1)]				
4. Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement	14A.76(2)(a) and 14A.105	Announcement requirement under Chapter 14A of the Listing Rules	550,000	613,000

Note:

(1) The procurement transactions of products and equipment from Shenzhen Kingdom Electronic Group and Lingsheng Investment are aggregated, as both entities are ultimately controlled by Ms. Zeng and we primarily procure the same products, being tape and protective film, from them.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Principal terms of the transactions

Framework Agreements between our Group and Shenzhen Kingdom Electronic Group

1. Shenzhen Kingdom Electronic Group Transportation Services Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a transportation services framework agreement with Shenzhen Kingdom Electronic Group (the "Shenzhen Kingdom Electronic Group Transportation Services Framework Agreement"), pursuant to which our Group would supply to Shenzhen Kingdom Electronic Group transportation services. The initial term of the agreement will commence on the Listing Date and end on December 31, 2027. The Shenzhen Kingdom Electronic Group Transportation Services Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of transportation services according to the principles provided in the Shenzhen Kingdom Electronic Group Transportation Services Framework Agreement. The fees to be charged by our Group to Shenzhen Kingdom Electronic Group for the services supplied by us shall be determined in accordance with the pricing principle between related parties, specifically referring to the costs incurred by transport services, such as postage, toll fees, and labor costs, plus a reasonable profit margin, to ensure fairness and reasonableness, with reference to factors including but not limited to the market rate of the fee and price quotes for such services, reasonable profit margin of the Group with reference to the relevant costs incurred for the provision of the services, transaction volume or time effectiveness of transportation.

2. Shenzhen Kingdom Electronic Group Financial Services Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a financial services framework agreement with Shenzhen Kingdom Electronic Group (the "Shenzhen Kingdom Electronic Group Financial Services Framework Agreement"), pursuant to which our Group would supply to Shenzhen Kingdom Electronic Group corporate management consulting services, commercial factoring-related advisory services, and supply chain solution involvement services. The initial term of the agreement will commence on the Listing Date and end on December 31, 2027. The Shenzhen Kingdom Electronic Group Financial Services Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of consulting services according to the principles provided in the Shenzhen Kingdom Electronic Group Financial Services Framework Agreement. The fees to be charged by our Group to Shenzhen Kingdom Electronic Group for the services supplied by us shall be determined in accordance with the pricing principle between related parties, specifically based on the customer's specific service requirements, including the complexity of service scope and transaction volume, to ensure fairness and reasonableness, with reference to factors including but not limited to our charging polices to other independent customers and market rate of the fee and price quotes for such services, or reasonable profit margin of the Group with reference to the relevant costs incurred for the provision of the services.

3. Shenzhen Kingdom Electronic Group Products Sales Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a products sales framework agreement with Shenzhen Kingdom Electronic Group (the "Shenzhen Kingdom Electronic Group Products Sales Framework Agreement"), pursuant to which our Group would supply to Shenzhen Kingdom Electronic Group various types of products, including but not limited to insulated cable. The initial term of the agreement will commence on the Listing Date and end on December 31, 2027. The Shenzhen Kingdom Electronic Group Products Sales Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of products according to the principles provided in the Shenzhen Kingdom Electronic Group Products Sales Framework Agreement. The fees to be charged by our Group to Shenzhen Kingdom Electronic Group for the products supplied by us shall be determined in accordance with the pricing principle between related parties, specifically referring to the costs incurred by producing products, such as material expenses and labor costs, plus a reasonable profit margin, to ensure fairness and reasonableness, with reference to factors including but not limited to the market rate of the fee and price quotes for such products, or reasonable profit margin of the Group with reference to the relevant costs incurred for the provision of the products.

Listing Rules Implications

As the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of each of the transactions above is expected to be less than 0.1% on an annual basis, the transactions contemplated under each of the above framework agreements will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTION

Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement

Principal Terms

The Company, for itself and on behalf of its subsidiaries, has entered into a products sales framework agreement with Shenzhen Kingdom Electronic Group and Lingsheng Investment Group (the "Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement"), pursuant to which our Group would procure from Shenzhen Kingdom Electronic Group and Lingsheng Investment Group various types of products and production and testing equipment, including but not limited to tape, protective film, magnet tile cutting machine, robotic arm, inkjet printer, infrared spectrometer, contact angle tester, CR tester and IT tester. The initial term of the agreement will commence on the Listing Date and end on December 31, 2027. The Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of products and equipment according to the principles provided in the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement.

Reasons for the Transaction

Given our stable business relationship with Shenzhen Kingdom Electronic Group and Lingsheng Investment Group during the Track Record Period, we are of the view that Shenzhen Kingdom Electronic Group and Lingsheng Investment Group are well aware of our business processes and needs, quality standards and operational requirements, and is able to continuously supply products and equipment we require. As such, the Directors believe that the products and equipment provided by Shenzhen Kingdom Electronic Group and Lingsheng Investment Group are more likely to meet our requirements for products and equipment specifications.

In addition, the transactions under the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement are in the ordinary course of business of the Group, which satisfy the needs of the Group's business development, the related requirements from our customers and are conducive to the healthy and stable development of the Group.

Consideration and pricing policies

The fees to be paid by our Group to Shenzhen Kingdom Electronic Group and Lingsheng Investment Group for the products and equipment purchased by us shall be determined in accordance with the pricing principles of to ensure fairness and reasonableness. In particular, the pricing is determined with reference to the price of comparable products and equipment provided by independent suppliers to the Group, and such price shall be no less favourable to the Group than what is available from independent suppliers. The Group will only purchase products and equipment from Shenzhen Kingdom Electronic Group and Lingsheng Investment Group (by issuing a procurement demand plan or making individual orders) after confirming that the price and quality of the products and equipment offered are comparable to or more favourable than those offered by independent third parties for the same or similar products and equipment.

In practice, the pricing policies adopted by the Group are that (a) for the procurement of equipment, the purchase price is primarily determined with reference to independent valuation reports, ensuring that the price reflects the fair market value of the equipment; (b) for the procurement of goods, if the goods are customer-designated materials, the purchase price is guided by the benchmark price of such materials provided by customers, and the price paid by the Group shall not exceed the benchmark price; if the goods are non-designated materials, the Group conducts a competitive tendering process by obtaining quotations from at least three independent suppliers. The final purchase price is determined with reference to a combination of factors including cost, quality and delivery schedule, and the supplier offering the most favourable overall terms is selected.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of products and equipment by our Group from the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group were approximately RMB397.26 million, RMB490.30 million and RMB499.55 million, respectively.

The increase in the transaction amounts with connected parties in 2024 was primarily attributable to the factors including (a) the Group's revenue of die-cutting business recorded an increase compared to that in 2023. The growth in this segment resulted in a corresponding increase in the procurement of raw materials in the ordinary course of business, and (b) to meet business development needs and to enhance the Group's research and production capabilities in the new materials sector, the Group further expanded its production capacity for new materials products. The related products and equipment procured by the Company fall broadly into several types, including production materials such as protective films and adhesive tapes, production and processing equipment such as tile cutting machines and inkjet printers, testing and analytical equipment such as infrared spectrometers and CR/IR testing devices, and physical performance testing equipment such as contact angle testers and tension machines. These procurements were made to ensure a stable supply of essential consumables, to enhance automation and efficiency in die-cutting and new materials processing, to strengthen quality control through advanced testing instruments.

Annual caps

For the years ending December 31, 2026 and 2027, the proposed annual caps for the annual transaction amounts to be paid to the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group by us under the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement will be RMB550 million and RMB613 million, respectively.

The proposed annual caps are determined based on, among others, (i) the historical amounts of the transactions between our Group, Lingsheng Investment Group and the Shenzhen Kingdom Electronic Group during the Track Record Period in respect of our procurement of products and equipment from the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group. In particular, the transaction amount for the year ended December 31, 2024 increased by approximately 23.4% compared to the year ended December 31, 2023. The relatively lower year-on-year growth for the year ended December 31, 2025 was primarily attributable to the higher procurement base established in 2024, particularly in the die-cutting business segment, coupled with a proactive adjustment in the Group's procurement strategy in 2025 to diversify its supplier base. The year-on-year growth of the estimated transaction amounts for 2026 and 2027 is approximately 10.10% and 11.45%, respectively, which is lower than the approximate average year-on-year growth rate during the Track Record Period, reflecting a steady and measured growth trajectory; and (ii) the Group's expected demand for the products and equipment based on the business and production plans of each business units of the Company for the years ending December 31, 2026 and 2027. In particular, the annual caps for the procurement of products and equipment from Shenzhen Kingdom Electronic Group and Lingsheng Investment Group for 2026 and 2027 have been determined by aggregating the budgeted amounts of each business unit of the Group. The forecasts of each business unit are prepared with reference to the expected progress of the Group's businesses and the corresponding production plans, and are further adjusted by taking into account the actual procurement levels of the respective business lines in prior years. The relevant annual caps will be subject to approval by the shareholders of the Company and will be strictly monitored and implemented thereafter.

Listing Rules Implications

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps under the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products and Equipment Procurement Framework Agreement is expected to be above 0.1% but will not exceed 5% on an annual basis, the transactions contemplated thereunder are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules but will be subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

We have established the following internal control measures to closely monitor connected transactions and ensure that our existing and future connected transactions are on normal commercial terms that are no less favorable to our Group than terms available to or offered by Independent Third Parties:

- we have adopted and implemented a management policy on connected transactions ("Management Policy"). Under such policy, the Audit Committee is responsible for reviewing compliance with relevant laws, regulations, our Group's internal policies and the Listing Rules in respect of the connected transactions. In addition, the Audit Committee, the Board and the internal departments of our Group (including but not limited to the finance department, internal audit department and compliance and legal department) are jointly responsible for evaluating the terms under the framework agreements for continuing connected transactions, in particular the fairness of the pricing policies and annual caps under each agreement;

- The Audit Committee, the Board and the internal departments of the Group will regularly monitor the fairness of the pricing terms, the implementation of continuing connected transactions and the compliance of contract approval, ensuring that the internal control processes and operational procedures are complied in accordance with the requirements of the Management System and the Listing Rules;

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that in accordance with Rules 14A.55 and 14A.56 of the Listing Rules that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies;

- with respect to the fairness of the pricing policies and annual caps under the framework agreements for the services to be provided to the Group, our management team will constantly research into prevailing market conditions and practices and make reference to the pricing and terms between the Group and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons are fair, reasonable and are no less favorable than those offered to Independent Third Parties; and

- our internal audit department will regularly collect and monitor the transaction amount of continuing connected transactions to ensure timely assessment of whether the annual caps are exceeded or about to be exceeded.

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

In respect of the transactions as contemplated under the Shenzhen Kingdom Electronic Group and Lingsheng Investment Group Products Procurement Framework Agreement, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

CONFIRMATION OF OUR DIRECTORS

Our Directors (including independent non-executive Directors) consider that (i) the partially exempt continuing connected transaction has been and will be entered into in the ordinary and usual course of business of our Group and on normal commercial terms or better that are fair and reasonable and in the interests of our Group and Shareholders as a whole; and (ii) the proposed annual caps in respect of the partially exempt continuing connected transaction are fair and reasonable and in the interests of our Group and Shareholders as a whole.

CONFIRMATION OF THE SOLE SPONSOR

The Sole Sponsor has (i) reviewed the relevant documents and information provided by the Group; (ii) obtained necessary representations and confirmation from the Company and the Directors and (iii) participated in the due diligence and discussion with the management of the Company. Based on the above due diligence work, the Sole Sponsor is of the view that the partially exempt continuing connected transaction as set out above has been and will be entered into in the ordinary and usual course of business of our Group, on normal commercial terms or better, are fair and reasonable and in the interests of our Group and Shareholders as a whole, and that the proposed annual caps in respect of the partially-exempt continuing connected transaction are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

So far as is known to our Directors, immediately following the completion of the Global Offering (assuming (i) there has not been any change in the shareholding of holders of A Shares between the Latest Practicable Date and the Listing Date, and (ii) no additional A Shares are issued under our 2024 Share Option Scheme), each of following persons will have an interest and/or short position (as applicable) in the Shares or underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the Shares, once the Shares are listed on the Hong Kong Stock Exchange:

			As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming no additional A Shares are issued under the 2024 Share Option Scheme)		
Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares Held or Interested[(1)]	Approximate Shareholding Percentage (%)[(2)]	Number of Shares Held or Interested[(1)]	Approximate Shareholding Percentage in the A Shares[(3)] (%)	Approximate Shareholding Percentage in the Total Issued Share Capital[(3)] (%)
Ms. Zeng[(4)] . .	Beneficial interest	A Shares	108,536,846	1.49	108,536,846	1.49	1.34
	Interest in controlled corporation	A Shares	4,139,524,021	56.64	4,139,524,021	56.64	50.98
Lingsheng Investment[(4)(5)]	Beneficial interest	A Shares	4,139,524,021	56.64	4,139,524,021	56.64	50.98

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of 7,308,198,680 A Shares in issue as of the Latest Practicable Date.

(3) The calculation is based on the total number of 7,308,198,680 A Shares and 811,811,880 H Shares in issue immediately after completion of the Global Offering, assuming no additional A Shares are issued under the 2024 Share Option Scheme.

(4) Lingsheng Investment is a limited company established in the PRC and is wholly owned by Ms. Zeng. As such, under the SFO, Ms. Zeng is deemed to be interested in the entire equity interests held by Lingsheng Investment in the Company.

(5) As at the Latest Practicable Date, Lingsheng Investment pledged 182,220,000 A Shares it held to certain regulated financial institutions in the PRC for financings provided by them to Lingsheng Investment, representing approximately 2.49% of the issued share capital of the Company.

Save as disclosed above and in "Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders" in Appendix IV to this Prospectus, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming no additional A Shares are issued under our 2024 Share Option Scheme), have any interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

IMMEDIATELY BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company was RMB7,308,198,680 comprising 7,308,198,680* A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering, assuming that no additional A Shares are issued pursuant to the 2024 Share Option Scheme, the issued share capital of our Company would be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital
A Shares in issue	7,308,198,680*	90%
H Shares to be issued under the Global Offering	811,811,880	10%
Total	8,120,010,560	100%

Note:

* Including 34,031,200 A Shares repurchased by our Company pursuant to the repurchase mandates approved by the Board, accounting for approximately 0.47% of the total number of A Shares in issue as of the Latest Practicable Date.

OUR SHARES

Upon completion of the Global Offering, the 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. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shenzhen — Hong Kong Stock Connect or Shanghai — 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 investors of the PRC.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by investors in the PRC in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Our H Shareholders will receive share dividends in the form of H Shares, and our A Shareholders 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

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and 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 November 14, 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 10% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the offer size adjustment option (if applicable) and 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 its authorized person with the authorization of the Shareholders' general meetings, together with the Overall Coordinators, after full consideration of the interests of existing Shareholders and the conditions of domestic and international capital markets conditions with reference to the international practices and through demands for orders and book-building process using a market-oriented pricing method.

(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 held on November 14, 2025.

There are no other approved offering plans for our Shares except the Global Offering.

SHARE INCENTIVE SCHEME

We have adopted the A Share Incentive Plans to attract and retain talent and promote our Group's long-term development. For details, see "Statutory and General Information — 4. A Share Incentive Plans" set out in Appendix IV to this Prospectus.

SHAREHOLDERS' GENERAL MEETING

See "Appendix III — Summary of Articles of Association" to this Prospectus for details of circumstances under which our Shareholders' general meetings are required.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**" and collectively, the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**" and collectively, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 660 H Shares) that may be purchased for an aggregate amount of US$406.90 million (or approximately HK$3,188.83 million, calculated based on the exchange rate set out in "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this Prospectus) (the "**Cornerstone Placing**"). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the International Offer Shares to be subscribed by them.

Based on the Offer Price of HK$10.18, being the maximum Offer Price, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 313,241,280 Offer Shares, representing approximately 38.59% of the Offer Shares and 3.86% of our total issued share capital immediately upon completion of the Global Offering.

We believe that the Cornerstone Placing signifies our Cornerstone Investors' confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors during its ordinary course of operations, either through the Group's business network or through introduction by the Company's business partners or the Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and save as otherwise consented to by the Stock Exchange, the Cornerstone Investors (and for Everbright Wealth Management which will subscribe for our Offer Shares through qualified domestic institutional investors ("**QDII**"), the QDII) 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 Everbright Wealth Management which will subscribe for our Offer Shares through QDII, the QDII) will rank *pari passu* in all respects with the fully paid Shares in issue and all the H Shares to be subscribed by the Cornerstone Investors will be counted towards the public float at the time of the Listing under Rule 19A.13A(2) of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any Board representation in our Company; and none of the Cornerstone Investors will become a substantial shareholder of our Company. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side 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.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Shares commence on the Stock Exchange. There will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors.

Among the Cornerstone Investors, Taikang Life, MSIP, Da Cheng International, GF Fund and Honor are existing minority Shareholders of our Company or their close associates, with each of such Cornerstone Investors (and/or their close associates) respectively holding less than 1% of the total issued share capital of the Company as of the Latest Practicable Date. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders (and/or their close associates). For further details, see "Waivers and Exemption — Allocation of Our H Shares to Existing Minority Shareholders and their Close Associates under Rule 10.04 and Paragraph 1C(2) of Appendix F1 to the Hong Kong Listing Rules."

To the best of the knowledge, information and belief of our Company, other than the Cornerstone Investors who are either existing minority Shareholders or their respective close associates, (i) each of the Cornerstone Investors (and for Everbright Wealth Management which will subscribe for our Offer Shares through QDII, the QDII) is an Independent Third Party; (ii) none of the Cornerstone Investors (and for Everbright Wealth Management which will subscribe for our Offer Shares through QDII, the QDII) is accustomed to take and has not taken instructions from the Company, our Directors, chief executive, the Controlling Shareholders, substantial shareholders, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors (and for Everbright Wealth Management which will subscribe for our Offer Shares through QDII, the QDII) is directly or indirectly financed by the Company, our Directors, chief executive, the Controlling Shareholders, substantial shareholders, existing Shareholders or any of their subsidiaries or their respective close associates.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this Prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering is uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of our Company, (i) the Cornerstone Investors make independent investment decisions, and (ii) each of the Cornerstone Investors would be financed by their own internal resources, financial resources of their shareholders, connected person or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for their investors as the source of funding for the subscription of the Offer Shares, and (iii) each of the Cornerstone Investors have sufficient funds to settle their respective investments under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for their participation in the Cornerstone Placing. Save for Hongxing International, Sunny Optical Capital, GF Fund, Value Partners and Everbright Wealth Management, none of the Cornerstone Investors or their shareholder(s) are listed on any stock exchanges.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around June 25, 2026.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

GF Fund

GF Fund Management Co., Ltd. (廣發基金管理有限公司) ("**GF Fund Management**") and GF International Investment Management Limited (廣發國際資產管理有限公司) ("**GF Fund HK**", together with GF Fund Management, "**GF Fund**") have respectively entered into cornerstone investment agreements with our Company.

GF Fund Management was established on August 5, 2003. As of December 31, 2025, its assets under management exceeded RMB2 trillion. It offers a comprehensive range of product offerings, covering active equity, bonds, money market, overseas investments, passive investments, FOF, and quantitative hedging, among others, to meet the diversified investment needs of domestic and international clients. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. ("**GF Securities**"), a company limited by shares listed on The Stock Exchange of Hong Kong Limited (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), holding a 54.53% equity interest in GF Fund Management. Apart from GF Securities, no other shareholder holds 30% or more of the equity in GF Fund Management.

GF Fund HK is a wholly-owned subsidiary of GF Fund Management. GF Fund HK (central entity number of its Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. It is licensed by the SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GF Fund HK serves as the global investment and business platform for its parent company, GF Fund Management. Acting as GF Fund Management's overseas window company, GF Fund HK strategically connects the Chinese and overseas markets. Leveraging the investment and research capabilities of GF Fund Management and its competitive advantages in the overseas market, GF Fund HK provides comprehensive and high-quality services to its clients.

GF Fund Management and GF Fund HK will subscribe for the Offer Shares as cornerstone investors in their capacity as the discretionary investment managers of certain funds under their management. To the best knowledge of GF Fund Management and GF Fund HK, each fund is an Independent Third Party, and no ultimate beneficial owner holds 30% or more interest.

Kaide Global Investment

Kaide Global Investment Ltd ("**Kaide Global Investment**") is an investment holding company incorporated in the British Virgin Islands, principally engaged in equity investment activities. The ultimate controlling shareholder of Kaide Global Investment Ltd is Qingdong Wang and has long been engaged in business operations and investment management, and has extensive experience in technology innovation and industrial investment. No other ultimate beneficial owner holds 30% or more interest in Kaide Global Investment.

Qube

Qube Master Fund Ltd ("**Qube**") is an exempted company incorporated in the Cayman Islands. Qube is sub-managed by Qube Research & Technologies Hong Kong Limited ("**QRT HK**") and certain affiliates of QRT HK (collectively "**QRT**"). QRT HK is a company incorporated in Hong Kong and licensed by the SFC to carry on type 1 (dealing in securities) and type 9 (asset management) regulated activity. There is no ultimate beneficial owner holding 30% or more of the shares in Qube or QRT HK. QRT is a global investment manager and deploys a diverse range of investment strategies across geographies, asset classes and time frames, combining data, research, technology, and trading expertise.

Ti-Capital Funds

Ti-Capital (HK) Pioneer Fund III ("**Ti-Capital Fund III**") and Ti-Capital (HK) Pioneer Fund IV ("**Ti-Capital Fund IV**", together with Ti-Capital Fund III, the "**Ti-Capital Funds**") are sub-funds of Ti-Capital (HK) Pioneer OFC, an open-ended fund company ("**Ti-Capital OFC**") registered under the Securities and Futures Ordinance of Hong Kong. As of the Latest Practicable Date, no parties own 30% or more of interests in Ti-Capital Funds or Ti-Capital OFC. Ti-Capital Funds primarily engage in cornerstone investments and anchor investments. The fund manager and controlling shareholder of Ti-Capital Funds is Ti-Capital (Hong Kong) Asset Management Limited ("**Ti-Capital HK**", central entity number: BUK423). Ti-Capital HK was established in Hong Kong in 2024, which is ultimately controlled by Mr. Gao Yihui, and is licensed by the SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

Value Partners

Each of Value Partners Hong Kong Limited (incorporated in Hong Kong in 1999) and Value Partners Limited (incorporated in the British Virgin Islands in 1991) has agreed to procure certain investment funds that it has actual discretionary investment management power over, to subscribe for relevant number of Shares. The investment funds managed by Value Partners Limited that will subscribe for the Offer Shares include Value Partners Intelligent Funds — Chinese Mainland Focus Fund, Value Partners Intelligent Funds — China Convergence Fund, Value Partners Intelligent Funds — JA-VP China New Century Fund and Value Partners China Greenchip Fund Limited, and the investment funds managed by Value Partners Hong Kong Limited that will subscribe for the Offer Shares include Value Partners Multi-Asset Fund, Value Partners Fund Series — Value Partners Asian Income Fund, Value Partners High-Dividend Stocks Fund, Value Partners Classic Fund, Value Partners Funds SPC — Value Partners China A-Share Innovation Fund SP, Value Partners Ireland Fund ICAV — Value Partners Asia Ex-Japan Equity Fund and Value Partners Fund Series — Value Partners Asian Innovation Opportunities Fund. Each of Value Partners Hong Kong Limited and Value Partners Limited (together with other subsidiaries under Value Partners Group Limited ("**Value Partners**")), acts as investment manager or investment advisor to all the funds above.

Both Value Partners Hong Kong Limited and Value Partners Limited are wholly-owned subsidiaries of Value Partners Group Limited, a company listed on the Stock Exchange (stock code: 806). Value Partners is one of Asia's largest independent asset management firms. It is headquartered in Hong Kong and operates in Shanghai, Shenzhen and Singapore. Value Partners' investment strategies cover equities, fixed income, multi-asset, quantitative investment solutions and alternatives for institutional and individual clients in the Asia Pacific and Europe. As of 31 December 2025, it has asset under management of approximately US$6.2 billion.

Hongxing International

Hongxing International Technology Limited (宏興國際科技有限公司) ("**Hongxing International**") will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement. Hongxing International is a limited company established under the laws of Hong Kong and is wholly owned by Victory Giant Technology (HuiZhou) Co., Ltd. (勝宏科技(惠州)股份有限公司), a company established under the laws of PRC, and the A Shares of which are listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300476). Hongxing International mainly engages in the trading of electronic products and equity investment business.

MSIP

Morgan Stanley & Co. International plc ("**MSIP**") is a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling entity is Morgan Stanley. Morgan Stanley together with its subsidiary undertakings forms the "Morgan Stanley Group." Morgan Stanley is a global financial services firm authorised as a Financial Holding Company and regulated by the Board of Governors of the Federal Reserve System in the United States of America. The Morgan Stanley Group operates within the financial services industry and is subject to extensive supervision and regulation. The principal activity of the Morgan Stanley Group is the provision of financial services to a global client base consisting of corporations, governments and financial institutions. Financial services include investment banking, sales and trading, and other services to clients.

HK Greenwoods

Greenwoods Asset Management Hong Kong Limited ("**HK Greenwoods**") is a private fund management company incorporated in Hong Kong with limited liability. Established in 2005, HK Greenwoods is one of the largest and earliest China-focused asset managers mainly specializing in investing into companies in the Greater China region. HK Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds and accounts managed by HK Greenwoods on a discretionary basis include institutional investors and high-net-worth individual professional investors. Mr. Jiang Jinzhi is the chairman and an ultimate beneficial owner of HK Greenwoods.

As confirmed by HK Greenwoods, the subscription of the Offer Shares as a cornerstone investor will be made by HK Greenwoods in its capacity as the investment manager of Golden China Master Fund. As of 30 May 2026, no single ultimate beneficial owner holds 30% or more interest in the Golden China Master Fund.

3W Fund

3W Fund Management Limited ("**3W Fund**") is incorporated in Hong Kong with limited liability and licensed by the Hong Kong 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, over which 3W Fund has discretionary investment management power, to subscribe for such number of the Offer Shares. 3W Global Fund pursues to maximize absolute return and seek long-term capital growth primarily through fundamental investment principle with value approach. No single investor holds 30% or more interest in 3W Global Fund.

Deliante

Deliante Holdings Co., Ltd. ("**Deliante**") is a limited liability company incorporated in the British Virgin Islands on August 6, 2020. It is an investment holding company which is used to hold financial assets such as stocks and bonds for a family trust established by Mr. Tsai Eng-Meng ("**Mr. Tsai**"), as settlor for the benefit of Mr. Tsai and his family members. Mr. Tsai is the chairman of the board of Want Want Group, a company primarily engaged in the food and beverage industry in mainland China. Each of Deliante and its shareholders including Mr. Tsai is an Independent Third Party. None of its shareholders (including Mr. Tsai) holds 30% or more interest in Deliante.

Sunny Optical Capital

Sunny Optical Capital Limited (舜宇資本有限公司) ("**Sunny Optical Capital**") will subscribe for and hold the relevant number of Offer Shares under the Cornerstone Investment Agreement. Sunny Optical Capital is a limited company established under the laws of Hong Kong and is wholly owned by Sunny Optical Technology (Group) Company Limited (舜宇光學科技(集團)有限公司), a company incorporated in Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 2382). Sunny Optical Technology (Group) Company Limited is a global leading manufacturer of integrated optical products with large-scale and and a globally competitive provider of intelligent optical system solutions (whole device). The Group is principally engaged in the business of designing, researching and developing, manufacturing, and selling smartphone products, vehicle products, extended reality (XR) products, pan Internet of things (pan-IoT) products, and other related products.

Honor

Honor Information Technology Limited (榮耀信息技術有限公司) ("**Honor**") is a limited liability company incorporated in Hong Kong on November 30, 2020, principally engaged in the sales of electronic products, trading and financing. The controlling shareholder of Honor is Shenzhen Zhixin New Information Technology Co., Ltd. (深圳市智信新信息技術有限公司) ("**Shenzhen Zhixin**"), which is ultimately controlled by Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission (深圳市人民政府國有資產監督管理委員會). Shenzhen Zhixin is principally engaged in the development and production of computers and related products, covering areas including computer technology development and the production of hardware and software. No other ultimate beneficial owner holds 30% or more interest in Honor or Shenzhen Zhixin.

Jain Global

Jain Global Master Fund Ltd is a fund established in the Cayman Islands and managed by Jain Global LLC ("**Jain Global**"). Jain Global is wholly owned by a holding company, Jain Holdings LLC, a Delaware limited liability company ("**Jain Holdings**"). Mr. Robert Jain is the managing member and principal owner of Jain Holdings and therefore controls Jain Global. Jain Global has offices in the United States of America, United Kingdom, Hong Kong, and Singapore. Jain Global, on behalf of Jain Global Master Fund Ltd, pursues investment strategies across a range of different asset classes, products, and geographic regions. Jain Global Master Fund Ltd's capital will be primarily deployed in the following investment strategies: fundamental equities, rates and macro, equity arbitrage, credit, systematic and commodities. No ultimate beneficial owner holds 30% or more of interests in Jain Global Master Fund Ltd.

Seven Grand

Seven Grand Managers, LLC ("**Seven Grand**") is an investment management firm organized in Delaware, United States as a limited liability company. Seven Grand focuses on opportunistic and event-driven strategies across global public and private markets. The firm manages capital on behalf of institutional investors and high-net worth investors through private funds and managed accounts. To Seven Grand's knowledge, none of these funds has an ultimate beneficial owner holding 30% or more interest therein. Core investment activities include participation in IPOs (including cornerstone tranches), block trades, private placements, and special situation opportunities. Seven Grand entered into the cornerstone investment agreement with our Company in its capacity as a discretionary investment adviser to one or more private funds and accounts.

Seven Grand is controlled by Chris Fahy as the managing member of Seven Grand Managers, LLC in an individual capacity. His spouse is a non-managing 1% interest (to avoid "disregarded entity" status for US tax) and there are no other shareholders. Mr. Fahy oversees the firm's risk taking, portfolio construction, and sourcing efforts. Prior to launching Seven Grand, Mr. Fahy served as the CIO of Galaxy Investment Partners, as a Portfolio Manager at Fortress Investment Group, and spent 13 years across numerous leading global investment banks.

Taikang Life

Taikang Life Insurance Co., Ltd ("**Taikang Life**"), a company incorporated in China, is a wholly owned subsidiary of Taikang Insurance Group Inc. 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.

Da Cheng International

Established in Hong Kong on March 19, 2009 with registered capital of HK$200 million, Da Cheng International Asset Management Company Limited ("**Da Cheng International**"), a wholly-owned subsidiary of Dacheng Fund Management Company Limited ("**Dacheng Fund**"), strives to provide comprehensive and integrated asset management and investment consultancy services for its clients. No single ultimate beneficial owner holds 30% or more interest in Dacheng Fund. Pursuant to the SFO, Da Cheng International was licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, and it obtained the qualification as an investment manager of the National Social Security Fund in 2015 to serve as an investment manager of the National Council for Social Security Fund of the People's Republic of China (全國社會保障基金理事會). Da Cheng International acts as the investment manager or investment advisor, with discretionary investment power for Da Cheng China Balanced Fund which is managed or sub-managed by Da Cheng International. No single ultimate beneficial owner holds 30% or more interests in Da Cheng China Balanced Fund. Da Cheng International has a mature product line, which consists of public funds (including investments in China's securities markets and overseas securities markets), private funds and portfolios of discretionary accounts. Da Cheng International is one of the eleven Hong Kong subsidiaries with QFII/RQFII qualifications issued by CSRC and one of the only four holders of the National Social Security Fund Overseas Investment Manager qualification. In October 2018, Da Cheng International became one of the first batch to obtain the Hong Kong Stock Connect Overseas Investment Consultant Qualification.

Everbright Wealth Management

Everbright Wealth Management Co., Ltd. (光大理財有限責任公司)("**Everbright Wealth Management**"), 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 Management was established in September 2019 with a registered capital of RMB5 billion. The principal business of Everbright Wealth Management 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 Management'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).

GRANITE ASIA

GRANITE ASIA IX VCC (for the account of and on behalf of GX ACCESS, "**GRANITE ASIA**"), a variable capital company incorporated in Singapore, acting solely for the account of and on behalf of its sub-fund, GX Access. GRANITE ASIA IX VCC (for the account of and on behalf of GX ACCESS) is wholly owned by GraniteX Access Fund I VCC, and is managed/advised by Granite Asia Capital PTE. LTD. No other single ultimate beneficial owner holds 30% or more in the GX ACCESS.

Granite Asia Capital PTE. LTD holds the sole management share of GraniteX Access Fund I VCC and is ultimately owned by Mr. Ji-Xun Foo and Ms. Lee Hong Wei Jenny.

Verition

Verition Multi-Strategy Master Fund Ltd. is managed by Verition Fund Management LLC ("**Verition**"), an investment firm founded in 2008. Verition is a subsidiary of Verition Fund Management NY, Inc., which owns the vast majority of Verition's equity and is ultimately controlled by Mr. Nicholas Maounis, and there is no other ultimate beneficial owner holding an interest of 30% or more. Verition manages a multi-strategy, multi-manager hedge fund focused on global investment strategies including Credit, Fixed Income & Macro, Convertible & Volatility Arbitrage, Event-Driven, Equity Long/Short & Capital Markets Trading, and Quantitative Strategies. As part of its investment activities, Verition seeks to construct a diversified portfolio with low correlation to traditional and alternative asset classes and consistently attractive risk adjusted returns. Capital is allocated dynamically across the strategies based on the market view and opportunity set for each individual investment team. As of April 1, 2026, the assets under management of Verition and its affiliates is approximately US$14.1 billion and Verition employs approximately 500 investment professionals and has offices in New York, Greenwich, Norwalk, London, Singapore, Hong Kong and Dubai. Verition Multi-Strategy Master Fund Ltd. has two feeder funds, Verition International Multi-Strategy Fund Ltd. (via Verition Multi-Strategy Intermediate Fund Ltd.) and Verition Multi-Strategy Fund LLC, neither of which will subscribe for the Offer Shares. As of April 1, 2026, there is no ultimate beneficial owner who owns 30% or more of Verition Multi-Strategy Master Fund Ltd.

Set out below is the details of the Cornerstone Placing assuming there is no other change made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date:

Based on the Offer Price of HK$10.18 (being the maximum Offer Price)

Cornerstone Investor	Investment amount[1]	Number of Offer Shares[2]	Approximate % of the Offer Shares	Approximate % of our total issued share capital
GF Fund				
– *GF Fund Management*	US$32 million	24,634,500	3.03%	0.30%
– *GF Fund HK*	US$10 million	7,698,240	0.95%	0.09%
Kaide Global Investment	US$32 million	24,634,500	3.03%	0.30%
Qube	US$30 million	23,094,720	2.84%	0.28%
Ti-Capital Funds	US$30 million	23,094,720	2.84%	0.28%
Value Partners				
– *Value Partners Hong Kong Limited*	US$24.5 million	18,860,820	2.32%	0.23%
– *Value Partners Limited*	US$5.5 million	4,233,900	0.52%	0.05%
Hongxing International	US$30 million	23,094,720	2.84%	0.28%
MSIP	US$29.9 million	23,017,500	2.84%	0.28%

Cornerstone Investor	Investment amount(1)	Number of Offer Shares(2)	Approximate % of the Offer Shares	Approximate % of our total issued share capital
HK Greenwoods	US$23 million	17,705,820	2.18%	0.22%
3W Fund	US$20 million	15,396,480	1.90%	0.19%
Deliante	US$20 million	15,396,480	1.90%	0.19%
Sunny Optical Capital	US$20 million	15,396,480	1.90%	0.19%
Honor	US$15 million	11,547,360	1.42%	0.14%
Jain Global	US$15 million	11,547,360	1.42%	0.14%
Seven Grand	US$15 million	11,547,360	1.42%	0.14%
Taikang Life	US$15 million	11,547,360	1.42%	0.14%
Da Cheng International	US$10 million	7,698,240	0.95%	0.09%
Everbright Wealth Management	US$10 million	7,698,240	0.95%	0.09%
GRANITE ASIA	US$10 million	7,698,240	0.95%	0.09%
Verition	US$10 million	7,698,240	0.95%	0.09%
Total	**US$406.9 million**	**313,241,280**	**38.59%**	**3.86%**

Notes:

(1) The investment amount excludes brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, and is calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this Prospectus.

(2) Rounded down to the nearest whole board lot of 660 H Shares, and is calculated based on the exchange rate set out in "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this Prospectus.

CLOSING CONDITIONS

The obligation of each of the Cornerstone Investors to subscribe for the Offer Shares under their respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the 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 Shares on the Stock Exchange;

(iv) no laws having been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or each Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions;

(v) the respective representations, warranties, acknowledgements, undertakings, and confirmations of the Cornerstone Investors and guarantor (where applicable) under their respective Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate, true and complete in all material 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 Investor and guarantor (where applicable); and

(vi) the overseas direct investment approval or any other government approval, filing, registration or consent required for the outbound investment and foreign exchange conversion of funds in connection with the transactions contemplated under the Cornerstone Investment Agreement having been completed and obtained prior to the approval-in-principle for the listing of the H Shares being issued by the Hong Kong Stock Exchange.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Sole Sponsor and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months after the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to their 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 Investor, including the Lock-up Period restriction.

The following discussion should be read in conjunction with our audited consolidated financial statements and the accompanying notes, the text of which is set out in Appendix I to this prospectus. Such consolidated financial statements are prepared in accordance with IFRS, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions, including the United States. Investors should read the whole of the audited financial information as set out in Appendix I to this prospectus and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties which we cannot control.

OVERVIEW

We are a leading high-precision intelligent manufacturing platform for electronic devices, delivering one-stop production services and solutions to customers worldwide. We provide a full-spectrum portfolio of core materials, high-precision functional components, modules and assembled systems, underpinned by continuous technology development and our AI-integrated manufacturing capabilities. Guided by the principles of lean management, digitalization, automation and sustainability, we power a broad range of end markets including electronic devices (covering smart electronics, robotics and enterprise servers), automotive and advanced air mobility. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first globally in the high-precision functional component market for smart electronics, and third globally among high-precision intelligent manufacturing platforms for smart electronics.

During the Track Record Period, we demonstrated strong and resilient financial performance, reinforcing our leadership position within the industry and our commitment to delivering shareholder value. During the Track Record Period, our revenue amounted to RMB34,154.0 million, RMB44,259.5 million and RMB51,428.9 million in 2023, 2024 and 2025, respectively. Our profit for the year amounted to RMB2,013.9 million, RMB1,760.7 million and RMB2,326.8 million in 2023, 2024 and 2025, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe our business, results of operations and financial condition have been, and are expected to continue to be, materially affected by the following factors:

Global Macroeconomic and Industry Trends

We offer products and solutions to customers in over 30 countries and regions. In 2023, 2024 and 2025, revenue generated from customers in the Chinese Mainland accounted for 70.4%, 62.1% and 53.5% of our total revenue, respectively, while revenue from customers outside the Chinese Mainland accounted for 29.6%, 37.9% and 46.5%, respectively. Our revenue is affected by the demand for our products and solutions in the countries and regions we operate in, which in turn is influenced by factors such as overall economic growth, geopolitical developments, tariff and trade policies, export control measures, employment levels, inflation or deflation trends, real disposable income, interest rates and foreign exchange rate fluctuations. There remain considerable uncertainties regarding the long-term effects of monetary and fiscal policies adopted by central banks and financial authorities in major economies. Given the international scale of our operations, we are exposed to economic and social developments in these jurisdictions. See "Risk Factors — Risks Relating to Our Business and Industry — We are subject to risks associated with our international businesses and operations" for more details. Despite the uncertain global economic outlook, we believe we are well-positioned to compete in the market by capitalizing on our established market position, strong product and research and development capabilities and long-term customer relationships.

Demand From End Markets and Major Customers

Our products are deployed across a broad range of end markets, including electronic devices (including smart electronics, intelligent robots and enterprise servers), automotive and advanced air mobility, among other applications. Key factors expected to influence the development across these markets include: (i) demand from end markets for enhanced functionality and product design; (ii) the rapid advancement of core digital technologies, including AI and automation; and (iii) supportive policy measures promoting these industries globally. Our success in the high-precision intelligent manufacturing platform industries for electronic devices, automotive and advanced air mobility will depend on our ability to leverage our competitive strengths and continuously adapt to technological advancements to meet evolving customer needs. See "Industry Overview" for more details.

Our continued growth also depends on our ability to expand into emerging markets. We review and refine our sector and application coverage on a regular basis and seek to enhance product value and market share through ongoing product upgrades. In recent years, we have strategically expanded into selected sectors and applications with strong growth potential and higher margins, including AI servers, humanoid robots, and AI optical communication infrastructure. In the coming years, we plan to further strengthen our presence in these sectors and applications.

Our results of operations are also influenced by our relationships with our major customers. Sales to our top five customers accounted for 52.0%, 56.0% and 57.5% of our total revenue in 2023, 2024 and 2025, respectively. Through technology exchange, equipment support and collaboration in product design, we participate in the early stages of product research and development for our major customers. These customers engage us in in-depth discussions on manufacturing processes, production sites, technical research and development and project management. Such close collaboration allows us to respond more efficiently to customer demand and production schedules and to achieve mass production in a timely manner. We believe that our long-term relationships with major customers contribute to the stable growth of our revenue.

Product Mix and Pricing

Our results of operations have been and are expected to continue to be affected by our product mix. Each category of product is subject to different technical requirements and levels of market competition, leading to variations in costs, selling prices and gross margins. Accordingly, changes in our product mix may materially affect our overall profitability.

Our products are mainly customized according to customer orders. We generally determine the price of our products based on a variety of factors, including (i) the complexity of the product both in terms of design and manufacturing, (ii) the costs of developing and manufacturing such products and our expected profit margin, (iii) the quantity involved and (iv) competition. To manage the risk of fluctuating raw material costs, we proactively negotiate with customers to share these changes. This price adjustment mechanism involves rigorous internal cost management and collaboration with suppliers to provide revised quotations. This collaborative approach has proven effective, as we have maintained good customer relationships without any material disputes over price adjustments. See "Business — Our Sales — Pricing Policy" for more details.

In general, our products and solutions for the electronic device market have relatively higher gross margins. This is mainly attributable to: (i) the application of our automation technologies, which enhances production efficiency; (ii) our effective cost control measures; and (iii) our long-term and stable relationships with global technology leaders and satisfactory customer retention. In addition, our business in the electronic device segment contributed approximately 89.9%, 92.1% and 87.1% of our total revenue in 2023, 2024 and 2025, respectively. Given its scale and profitability, the electronic device segment is expected to remain our major revenue contributor, and changes in its performance are likely to have a significant impact on our overall profitability. Going forward, our overall gross margin will continue to depend on our ability to identify high-growth end markets and to optimize our product mix from time to time.

Production Efficiency and Yield

Production efficiency and yield are two key indicators of our operational management. We are committed to maintaining and improving our operational efficiency. In recent years, we have actively taken measures, such as improving our production technology and equipment and increasing the level of automation in our production process to optimize the production process. This shift towards automation has a direct impact on our staff cost as it can lead to a reduction in the required number of production line employees or a reallocation of staff to higher-value roles such as maintenance, programming and quality assurance.

Our profitability also depends on the economies of scale achieved through maintaining a reasonable level of capacity utilization. Capacity utilization rates are affected by a number of factors, including general industry conditions, the volume of customer orders, the complexity and mix of products produced, machinery maintenance and reconfiguration requirements, mechanical failures, and other operational disruptions such as capacity expansion or equipment relocation. Our ability to efficiently manage these factors directly impacts our production performance and cost efficiency.

As of December 31, 2025, we had over 63 manufacturing plants and delivery hubs worldwide. In 2025, our production capacity for smart electronics comprised 69,616,857 thousand pieces, 44,449 thousand sets, and 231,828 tons. For our automotive and advanced air mobility segment, production capacity reached 2,124,413 thousand pieces for the same year. We plan to continue to increase our production capacity in Chinese Mainland and overseas in response to growing customer demand. See "Business — Manufacturing — Manufacturing Plants" for more details.

At the same time, we are focused on improving yield and reducing defect rates. Through optimized mold design, intelligent testing and simulation recognition, we have effectively reduced the number of defective products and enhanced overall product quality. Our ability to rapidly implement new designs and refine production processes while maintaining a low defect rate enables us to optimize production line utilization, increase output efficiently and achieve large-scale production of technically demanding products within a short time frame to meet customer delivery schedules. We intend to continue implementing stringent product quality control standards to further improve production yield and maintain a low defect rate.

Cost of Sales and Operating Expenses

Our cost of sales primarily consists of (i) direct materials, representing the cost of raw materials and semi-finished products that are integral to our finished goods, such as various metals, tapes, plastics, foams, packaging materials, protective films and electronic components; (ii) direct labor, which includes salaries, bonuses, and other benefits for our staff directly involved in the manufacturing process; and (iii) manufacturing overhead and others, which mainly comprises indirect staff costs, depreciation of our production-related property, plant and equipment, utilities, expenses for jigs and fixtures and provision for inventory write-down. The costs for direct materials are the largest component of cost of sales. In 2023, 2024 and 2025, the costs for direct materials accounted for 62.0%, 65.5% and 65.7% of our cost of sales, respectively. In the event of significant fluctuations in raw material prices, material exchange rate movements or changes initiated by customers, we manage our exposure by maintaining close communication and negotiation with our customers to share such cost variations.

Our profitability and results of operations are also affected by our ability to control administrative and other operating expenses. In 2023, 2024 and 2025, our administrative and other operating expenses were RMB1,623.5 million, RMB1,652.9 million and RMB2,137.4 million, respectively, representing 4.8%, 3.7% and 4.2% of our revenue, respectively. We expect these costs will continue to be a significant part of our operating expenses going forward.

Investment in Research and Development and Process Innovation

Investment in research and development represents one of our core strategies for maintaining our long-term competitiveness. We rely on our strong research and development capabilities to support product and service innovation and consolidate our leading position in the intelligent manufacturing industry. Our R&D activities cover industrial design and product performance development of products, precision module design and manufacturing processes, as well as automation and intelligent application technologies, through which we provide customers with cutting-edge products and customized solutions.

Over the years, we have continuously improved our production processes, which has positively affected our business, results of operations and financial condition. See "Business — Research and Development" for more details. In 2023, 2024 and 2025, our research and development expenses were RMB1,815.7 million, RMB1,990.5 million and RMB2,381.6 million, respectively, representing 5.3%, 4.5% and 4.6% of our revenue, respectively. As of December 31, 2025, we had a research and development team of 7,935 employees. We intend to continue allocating substantial resources to research and development and process innovation to enhance our technological capabilities, support the development of new products and solutions, and reinforce our competitiveness in the industry.

Financing Costs and Foreign Currency Exchange Rates

Although the majority of our working capital is funded by cash flows from our operating activities, we also utilize external bank loans, other borrowings and bonds for our financing needs. Accordingly, our profitability is affected by fluctuations in the cost of capital in the market. During the Track Record Period, we have diversified our financing channels and conducted financing through syndicate loans and domestic bonds to reduce our financing cost and reduce liquidity risk. In 2023, 2024 and 2025, our finance costs were RMB348.7 million, RMB304.2 million and RMB380.3 million, accounting for 1.0%, 0.7% and 0.7% of our revenue for the corresponding years.

As our business operations span over 30 countries and regions, revenue generated overseas accounted for 29.6%, 37.9% and 46.5% of our total revenue in 2023, 2024 and 2025, respectively. We prepare our financial information in accordance with IFRS in Renminbi, which is our reporting currency. The functional currency of our subsidiaries, which in each case is the currency that best reflects the economic substance of the underlying events and circumstances relevant to a subsidiary, varies from country to country. Fluctuations in foreign currency exchange rates could have a significant impact on our business, results of operations and financial condition, affect our gross and operating profit margins, and result in foreign exchange and operating gains or losses. We have implemented, and will continue to implement, effective measures to control the foreign exchange risk with the improvement of our foreign exchange management capabilities.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with the IFRS Accounting Standards. For the purpose of preparing of the historical financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users of the historical financial information. In addition, the historical financial information includes applicable disclosures required by the Listing Rules and by the Companies Ordinance. The historical financial information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value. See Notes 2 and 3 to the Accountants' Report set out in Appendix I to this prospectus for more details.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our financial statements. Accounting policies that are material for understanding our financial condition and results of operations are set forth in detail in Note 2 to the Accountants' Report set out in Appendix I to this prospectus. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. See Note 3 to the Accountants' Report set out in Appendix I to this prospectus for more details. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Revenue	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**
Cost of sales	(27,760,492)	(81.3)	(37,866,441)	(85.6)	(43,610,537)	(84.8)
Gross profit	**6,393,525**	**18.7**	**6,393,092**	**14.4**	**7,818,407**	**15.2**
Other income and other gains, net	207,045	0.6	374,885	0.9	349,425	0.7
Selling and distribution expenses	(334,970)	(1.0)	(367,601)	(0.8)	(398,581)	(0.8)
Administrative and other operating expenses	(1,623,500)	(4.8)	(1,652,896)	(3.7)	(2,137,430)	(4.2)
Research and development expenses	(1,815,664)	(5.3)	(1,990,452)	(4.5)	(2,381,587)	(4.6)
Provision for impairment losses on non-current assets	(300,340)	(0.9)	(177,570)	(0.4)	(198,222)	(0.4)
Reversal of/(provision for) impairment losses on financial assets	215,437	0.6	(48,712)	(0.1)	1,052	0.0
Operating profit	**2,741,533**	**8.0**	**2,530,746**	**5.8**	**3,053,064**	**5.9**
Finance costs	(348,707)	(1.0)	(304,163)	(0.7)	(380,264)	(0.7)
Share of results of associates and joint ventures	95,216	0.3	(30,208)	(0.1)	60,577	0.1
Profit before taxation	**2,488,042**	**7.3**	**2,196,375**	**5.0**	**2,733,377**	**5.3**
Income tax	(474,143)	(1.4)	(435,642)	(1.0)	(406,552)	(0.8)
Profit for the year	**2,013,899**	**5.9**	**1,760,733**	**4.0**	**2,326,825**	**4.5**

NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that the presentation of these non-IFRS measures facilitates comparisons of operating performance from year to year and company to company by excluding the impact of share-based compensation expense, a non-cash item, and listing expenses, which relate to the Listing.

Adjusted net profit (non-IFRS measure) refers to the profit for the year adjusted for the items set out in the table below. In 2023, 2024 and 2025, our adjusted net profit (non-IFRS measure) was RMB2,076.0 million, RMB1,861.9 million and RMB2,645.3 million, respectively. The following table reconciles our adjusted net profit (non-IFRS measure) for the years presented to the most directly comparable financial measure calculated and presented under IFRS, which is profit for the year, and presents our adjusted net profit margin (non-IFRS measure) for the years indicated:

	For the year ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands, except for percentages)		
Profit for the year	**2,013,899**	**1,760,733**	**2,326,825**
Add:			
Equity-settled share-based payment expenses[(1)]	62,093	101,196	316,908
Listing expenses[(2)]	–	–	1,538
Adjusted net profit (non-IFRS measure)	**2,075,992**	**1,861,929**	**2,645,271**
Adjusted net profit margin (non-IFRS measure) (%)[(3)]	**6.1**	**4.2**	**5.1**

Notes:

(1) Represents non-cash expenses related to share options, restricted shares and employee stock ownership plans granted to our employees. As this is a non-cash item, we believe its exclusion helps investors better understand our core cash-generating profitability. See Note 7(b) and Note 28 to the Accountants' Report set out in Appendix I to this prospectus for more details.

(2) Represents expenses incurred in connection with the Listing.

(3) Adjusted net profit margin (non-IFRS measure) is calculated by dividing adjusted net profit (non-IFRS measure) by revenue.

KEY COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

Revenue by Business Segment

We generate revenue primarily from sales of products. Our revenue can be generally categorized into two principal segments: electronic devices, and automotive and advanced air mobility.

- *Electronic devices*. Our electronic devices segment covers the entire value chain of electronic devices, extending from raw material provision, research and development, product sales, precision assembly to manufacturing, and supporting services.

- *Automotive and advanced air mobility*. We provide core materials, high-precision functional components, modules and assembled systems that enable the electrification and intelligent transformation of vehicles and low-altitude mobility.

In 2023, 2024 and 2025, our revenue amounted to RMB34,154.0 million, RMB44,259.5 million and RMB51,428.9 million, respectively.

The following table sets forth a breakdown of our revenue by business segment and the corresponding percentages for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Electronic devices						
– Imaging and display	5,542,966	16.2	11,270,092	25.4	11,884,538	23.1
– Materials	6,457,276	18.9	7,476,280	16.9	7,822,065	15.2
– Battery and power supply	6,984,433	20.4	6,482,952	14.6	7,578,806	14.8
– Thermal management	3,760,895	11.0	4,107,088	9.3	5,124,786	10.0
– Sensors and related components and modules	1,724,883	5.1	3,523,358	8.0	4,272,156	8.3
– Precision assembly and others	3,398,508	10.0	3,863,080	8.7	4,336,384	8.4
– AI glasses and XR devices	2,844,211	8.3	4,056,900	9.2	3,774,483	7.3
Subtotal	**30,713,172**	**89.9**	**40,779,750**	**92.1**	**44,793,218**	**87.1**
Automotive and advanced air mobility	**1,384,509**	**4.1**	**2,116,865**	**4.8**	**2,954,379**	**5.7**
Others(1)	**2,056,336**	**6.0**	**1,362,918**	**3.1**	**3,681,347**	**7.2**
Total	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**

Note:

(1) Others mainly comprise the revenue from our clean energy business.

Revenue by Geographical Region

The geographical region of our customers is determined based on the place of domicile of the external customers at which the services were provided or the goods were delivered. During the Track Record Period, we made sales to regions within and outside Chinese Mainland. In 2023, 2024 and 2025, our revenue generated from customers in Chinese Mainland accounted for 70.4%, 62.1% and 53.5% of our total revenue, respectively. The following table sets forth a breakdown of our revenue by geographic market and the corresponding percentages for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Chinese Mainland	**24,055,770**	**70.4**	**27,506,969**	**62.1**	**27,528,495**	**53.5**
Overseas						
– Asia (excluding Chinese Mainland)(1)	3,998,832	11.7	9,629,757	21.8	12,963,885	25.2
– North America(2)	3,678,302	10.8	5,137,676	11.6	8,759,688	17.0
– Europe(3)	1,706,453	5.0	1,272,497	2.9	1,294,607	2.5
– Others(4)	714,660	2.1	712,634	1.6	882,269	1.8
Subtotal	**10,098,247**	**29.6**	**16,752,564**	**37.9**	**23,900,449**	**46.5**
Total	**34,154,017**	**100.0**	**44,259,533**	**100.0**	**51,428,944**	**100.0**

Notes:

(1) Primarily includes India, Vietnam, Hong Kong and Taiwan.

(2) Primarily includes the United States.

(3) Primarily includes the United Kingdom, Turkey, Ireland and Germany.

(4) Primarily includes Brazil.

Cost of Sales

Our cost of sales primarily consists of (i) direct materials, representing the cost of raw materials and semi-finished products that are integral to our finished goods, such as various metals, tapes, plastics, foams, packaging materials, protective films and electronic components; (ii) direct labor, which includes salaries, bonuses, and other benefits for our staff directly involved in the manufacturing process; and (iii) manufacturing overhead and others, which mainly comprises indirect staff costs, depreciation of our production-related property, plant and equipment, utilities, expenses for jigs and fixtures and provision for inventory write-down.

In 2023, 2024 and 2025, our cost of sales was RMB27,760.5 million, RMB37,866.4 million and RMB43,610.5 million, respectively, representing 81.3%, 85.6% and 84.8% of our total revenue for the same years.

The following table sets forth the components of our cost of sales and the components as a percentage of the total cost of sales for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	% of cost of sales	Amount	% of cost of sales	Amount	% of cost of sales
	(RMB in thousands, except for percentages)					
Direct materials	17,209,846	62.0	24,816,022	65.5	28,663,326	65.7
Direct labor	3,311,520	11.9	4,154,929	11.0	4,641,512	10.7
Manufacturing overhead and others	7,239,126	26.1	8,895,490	23.5	10,305,699	23.6
Total	**27,760,492**	**100.0**	**37,866,441**	**100.0**	**43,610,537**	**100.0**

Gross Profit and Gross Margin

In 2023, 2024 and 2025, our gross profit was RMB6,393.5 million, RMB6,393.1 million and RMB7,818.4 million, respectively, and our gross margin was 18.7%, 14.4% and 15.2%, respectively.

The table below sets forth a breakdown of our gross profit and gross margin by business segment for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross margin (%)	Gross profit	Gross margin (%)	Gross profit	Gross margin (%)
	(RMB in thousands, except for percentages)					
Electronic devices						
– Imaging and display	1,631,714	29.4	1,317,205	11.7	1,377,542	11.6
– Materials	1,555,269	24.1	1,643,852	22.0	1,724,059	22.0
– Battery and power supply	430,039	6.2	473,289	7.3	704,699	9.3
– Thermal management	714,266	19.0	547,280	13.3	662,430	12.9
– Sensors and related components and modules	256,709	14.9	680,147	19.3	800,988	18.7
– Precision assembly and others	935,286	27.5	1,242,814	32.2	1,265,826	29.2
– AI glasses and XR devices	788,657	27.7	644,924	15.9	903,347	23.9
Subtotal	**6,311,940**	**20.6**	**6,549,511**	**16.1**	**7,438,891**	**16.6**
Automotive and advanced air mobility	**25,651**	**1.9**	**12,717**	**0.6**	**256,904**	**8.7**
Others[(1)]	**55,934**	**2.7**	**(169,136)**	**(12.4)**	**122,612**	**3.3**
Total	**6,393,525**	**18.7**	**6,393,092**	**14.4**	**7,818,407**	**15.2**

Note:

(1) Others mainly comprise the revenue from our clean energy business.

While the overall gross margin for the electronic devices segment experienced a decrease from 20.6% in 2023 to 16.1% in 2024, it increased from 16.1% in 2024 to 16.6% in 2025, with certain sub-product lines demonstrating divergent trends due to changes in our product mix and the specific development stages of individual business lines. In 2024, despite the overall segment margin decrease, the gross margins for the sensors and related components and modules, precision assembly and others, and battery and power supply product lines increased against the broader trend. Notably, the gross margin for sensors and related components and modules improved from 14.9% in 2023 to 19.3% in 2024, which was primarily attributable to the strong order growth and increased production volumes in our touch keyboard modules and electronic pens, allowing us to achieve significant economies of scale and effectively dilute fixed manufacturing costs. Conversely, during 2025, while the overall segment gross margin improved, the gross margins for thermal management, sensors and related components and modules and precision assembly and others product lines experienced slight decreases. Specifically: (i) the gross margin for thermal management decreased from 13.3% in 2024 to 12.9% in 2025, primarily due to shifts in our product mix towards certain newly mass-produced high-end mobile cooling and mid-frame projects, which temporarily experienced lower gross margins during their initial production phases, coupled with relatively low production yield rates for certain mid-frame products; (ii) the gross margin for sensors and related components and modules decreased from 19.3% in 2024 to 18.7% in 2025. While the gross margin of our touch keyboard modules improved, this positive impact was offset by a decline in the revenue and gross profit contribution from certain higher-margin products in our overall sales mix; and (iii) the gross margin for precision assembly and others decreased from 32.2% in 2024 to 29.2% in 2025, primarily due to the increased raw material prices for certain products within this category, which compressed their profitability.

Other Income and Other Gains, Net

Our other income and other gains, net primarily consist of (i) gains or losses on the disposal of subsidiaries, associates and joint ventures; (ii) dividend income; (iii) gains or losses on financial instruments at FVTPL, including listed equity securities, derivative financial instruments and bank wealth management products; (iv) net foreign exchange gains or losses; (v) government grants; (vi) VAT deductions; (vii) gains or losses on the disposal of property, plant and equipment and other non-current assets; (viii) bank interest income; and (ix) others. In 2023, 2024 and 2025, we recorded other income and other gains, net of RMB207.0 million, RMB374.9 million and RMB349.4 million, respectively.

The following table sets forth a breakdown of our other income and other gains, net for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Loss on disposals of subsidiaries	–	(8,266)	(2,058)
Gain on disposals of associates/joint ventures	22,299	–	(418)
Dividends	–	2,155	1,517
Gain/(loss) on listed equity securities at FVTPL	18,742	(1,619)	20,922
(Loss)/gain on derivative financial instruments at FVTPL	(277,050)	(167,756)	162,685
Gain on bank wealth management products at FVTPL and time deposits	43,301	34,204	69,715
Exchange gain/(loss)	94,296	204,108	(251,223)
Government grants	223,729	230,783	222,801
Value added tax ("VAT") deductions	40,537	29,185	37,222
Loss on disposals of property, plant and equipment and other non-current assets	(10,927)	(10,006)	(5,033)
Bank interest income	51,938	67,362	79,302
Others	180	(5,265)	13,993
Total	**207,045**	**374,885**	**349,425**

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) employee remuneration, which includes salaries, bonuses, benefits and share-based compensation expenses for our sales personnel; (ii) business fees, which mainly represent expenses and material consumption incurred in sales and marketing activities; (iii) travel expenses; and (iv) other expenses, which primarily include service fees for sales activities, office expenses, depreciation and amortization expenses, and miscellaneous expenses. In 2023, 2024 and 2025, our selling and distribution expenses were RMB335.0 million, RMB367.6 million and RMB398.6 million, respectively, representing 1.0%, 0.8% and 0.8% of our total revenue for the same years.

The following table sets forth a breakdown of our selling and distribution expenses in absolute amount and as a percentage of our total selling and distribution expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee remuneration	226,256	67.5	256,216	69.7	305,016	76.5
Business fees	66,942	20.0	63,682	17.3	49,010	12.3
Travel expenses	21,887	6.5	20,770	5.7	17,713	4.4
Others	19,885	6.0	26,933	7.3	26,842	6.8
Total	**334,970**	**100.0**	**367,601**	**100.0**	**398,581**	**100.0**

Administrative and Other Operating Expenses

Our administrative and other operating expenses primarily consist of (i) employee remuneration, which includes salaries, bonuses, benefits, and share-based compensation expenses for our management and administrative personnel; (ii) depreciation and amortization expenses, mainly for our office equipment, software, and other administrative assets; (iii) taxes and surcharges; (iv) professional service fees, for consulting, legal and other external professional services; (v) office expenses; and (vi) other expenses, which primarily include material consumption, travel expenses, repair fees, and various other administrative costs. In 2023, 2024 and 2025, our administrative and other operating expenses were RMB1,623.5 million, RMB1,652.9 million and RMB2,137.4 million, respectively, representing 4.8%, 3.7% and 4.2% of our revenue for the same years.

The following table sets forth a breakdown of our administrative and other operating expenses in absolute amount and as a percentage of our total administrative and other operating expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee remuneration	830,091	51.1	797,898	48.3	1,155,742	54.1
Depreciation and amortization expense	279,065	17.2	280,259	17.0	334,661	15.7
Taxes and surcharges	203,636	12.5	227,530	13.8	253,086	11.8
Professional service fees	100,947	6.2	122,565	7.4	175,309	8.2
Office expenses	104,568	6.4	99,127	6.0	104,853	4.9
Others	105,193	6.6	125,517	7.5	113,779	5.3
Total	**1,623,500**	**100.0**	**1,652,896**	**100.0**	**2,137,430**	**100.0**

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee remuneration for our R&D personnel, (ii) material consumption in our R&D activities, (iii) depreciation and amortization expenses for R&D-related equipment and intangible assets, and (iv) other expenses, which primarily include power and utility fees, office and transportation expenses, and repair and testing fees. In 2023, 2024 and 2025, our research and development expenses were RMB1,815.7 million, RMB1,990.5 million and RMB2,381.6 million, respectively, representing 5.3%, 4.5% and 4.6% of our revenue for the same years.

The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total research and development expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee remuneration	951,338	52.4	1,089,756	54.7	1,345,818	56.5
Material consumption	677,878	37.3	743,541	37.4	896,565	37.6
Depreciation and amortization expense	101,721	5.6	76,119	3.8	62,205	2.6
Others	84,727	4.7	81,036	4.1	76,999	3.3
Total	**1,815,664**	**100.0**	**1,990,452**	**100.0**	**2,381,587**	**100.0**

Provision for Impairment Losses on Non-Current Assets

Our provision for impairment losses on non-current assets during the Track Record Period primarily consisted of provision for impairment losses on goodwill, property, plant and equipment, and intangible assets. In 2023, 2024 and 2025, our provision for impairment losses on non-current assets was RMB300.3 million, RMB177.6 million and RMB198.2 million, respectively.

Reversal of/(Provision for) Impairment Losses on Financial Assets

Our reversal of/provision for impairment losses on financial assets during the Track Record Period comprised reversal of/provision for impairment losses on trade and bills receivables and other receivables. We recorded a net reversal of impairment losses on financial assets of RMB215.4 million in 2023, a net provision for RMB48.7 million in 2024, and a net reversal of RMB1.1 million in 2025.

Finance Costs

Finance costs consist of interest expenses on bank borrowings and other borrowings, bonds payables, loans from a related party and lease liabilities. In 2023, 2024 and 2025, our finance costs were RMB348.7 million, RMB304.2 million and RMB380.3 million, respectively.

The following table sets forth the principal components of our finance costs in absolute amount for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Interest expense on bank borrowings and other borrowings	304,540	264,351	298,745
Interest on lease liabilities	37,549	33,618	45,352
Interest on bonds payables	–	6,194	36,167
Interest in loans from a related party	6,618	–	–
Total	**348,707**	**304,163**	**380,264**

Share of Results of Associates and Joint Ventures

Our share of results of associates and joint ventures primarily represented our share of profits or losses from long-term investments in associates and joint ventures. We recorded a share of profits of RMB95.2 million in 2023 and a share of losses of RMB30.2 million in 2024. The share of losses in 2024 was primarily attributable to our investments in three investment funds, driven by a decline in the fair value of the underlying portfolio companies held by these funds. In 2025, we recorded a share of profits of RMB60.6 million.

Income Tax

In 2023, 2024 and 2025, our income tax was RMB474.1 million, RMB435.6 million and RMB406.6 million, respectively.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Comparison of Year Ended December 31, 2025 and Year December 31, 2024

Revenue

Revenue by segment. Our revenue increased by 16.2% from RMB44,259.5 million in 2024 to RMB51,428.9 million in 2025, primarily attributable to the growth in all of our business segments.

- *Electronic devices*. Revenue from our electronic devices segment increased by 9.8% from RMB40,779.8 million in 2024 to RMB44,793.2 million in 2025. This significant growth was mainly attributable to (i) an increase in revenue from our imaging and displays product line; (ii) an increase in revenue from our battery and power supply product line; (iii) an increase in revenue from our sensor and related component and module product line; and (iv) an increase in our thermal management product line, following the mass production of new products.

- *Automotive and advanced air mobility*. Revenue from our automotive and advanced air mobility segment increased by 39.6% from RMB2,116.9 million in 2024 to RMB2,954.4 million in 2025, reflecting our expanding business scale and increased customer orders and sales volume as we captured rising demand in the automotive industry.

- *Others*. Our other revenue increased by 170.1% from RMB1,362.9 million in 2024 to RMB3,681.3 million in 2025. This was primarily due to strong growth in our clean energy business, driven by a significant increase in orders from a major customer.

Revenue by geographical region. Our revenue growth was also characterized by a significant expansion in our overseas markets, underscoring the success of our global strategy.

- *Chinese Mainland*. Revenue from Chinese Mainland remained relatively stable at RMB27,507.0 million in 2024 and RMB27,528.5 million in 2025, which aligns with broader industry trends and reflects our strategic pivot toward high-growth international markets. As our domestic business has matured, it faces increasing market competition. Our revenue stability in Chinese Mainland is largely consistent with the cooling demand in the broader market, showing no material discrepancy from industry trends. For instance, according to Frost & Sullivan, domestic shipments of smartphones, the largest downstream product in the consumer electronics sector, experienced a slight decrease of approximately 0.6% in 2025. Furthermore, influenced by the supply chain adjustments of certain customers, some orders originally scheduled for delivery in Chinese Mainland were redirected to their overseas affiliated entities. Despite these structural shifts and the cooling downstream demand, we continuously optimized our domestic business operations, successfully maintaining our overall revenue in Chinese Mainland at a stable level while strategically directing more resources to our overseas expansion to capture international growth.

- *Overseas*. Our revenue from overseas markets increased significantly by 42.7% from RMB16,752.6 million in 2024 to RMB23,900.4 million in 2025. This strong performance was primarily driven by two key factors: (i) a substantial increase in demand for our clean energy solutions; and (ii) robust growth in our electronic devices segment across multiple international markets.

Cost of Sales

Our cost of sales increased by 15.2% from RMB37,866.4 million in 2024 to RMB43,610.5 million in 2025. This increase was primarily attributable to higher direct materials costs, direct labor costs, and manufacturing overhead, which was consistent with the growth in revenue and sales volume resulting from our expanded production scale and activities.

Gross Profit and Gross Margin

Our gross profit increased by 22.3% from RMB6,393.1 million in 2024 to RMB7,818.4 million in 2025. Our gross margin increased from 14.4% in 2024 to 15.2% in 2025. This increase in gross profit and gross margin was primarily attributable to the changes in the following business segments.

- *Electronic Devices*. Our gross profit for the electronic devices segment increased from RMB6,549.5 million in 2024 to RMB7,438.9 million in 2025, and the segment gross margin improved from 16.1% to 16.6%. The increase in our absolute gross profit was broadly supported by the revenue scale expansion across multiple product lines, notably the battery and power supply, imaging and display, and thermal management product lines. In addition, our sensor and related component and module product line also contributed to the gross profit growth, as the rapid revenue expansion of our touch keyboard modules allowed us to effectively dilute fixed production costs, despite a slight decrease in the overall margin of the sensor product line. The improvement in the overall segment gross margin was primarily driven by: (i) a significant margin improvement in the AI glasses and XR device product line, as we optimized our product mix by ceasing shipments for certain early-stage strategic loss-making projects such as our VR glasses projects. As these were exploratory initiatives for market expansion, we substantially ceased their production in June 2024, thereby eliminating their negative impact on our margins in 2025; and (ii) an increase in the gross margin of the battery and power supply product line, which was mainly attributable to product mix optimization characterized by a decreased proportion of low-margin products and an increased proportion of high-margin products, coupled with the introduction of new projects that carry relatively higher margins.

- *Automotive and Advanced Air Mobility*. Our gross profit for the automotive and advanced air mobility segment increased from RMB12.7 million with a gross margin of 0.6% in 2024 to a gross profit of RMB256.9 million with a gross margin of 8.7% in 2025. The low gross margin in 2024 was primarily attributable to temporary labor inefficiencies and higher material wastage arising from the relocation and consolidation of production facilities limited to this segment. The gross margin improvement in 2025 was primarily because we improved our manufacturing efficiency, reduced production waste, and realized significant economies of scale driven by substantial sales volume growth, which effectively lowered unit costs. Additionally, we optimized our product mix with an increased proportion of higher-margin products, such as our newly mass-produced aluminum cases and covers.

- *Others*. We achieved a turnaround from a gross loss of RMB169.1 million with a negative gross margin of 12.4% in 2024 to a gross profit of RMB122.6 million with a gross margin of 3.3% in 2025. This turnaround was primarily because we significantly grew revenue in our clean energy business, which allowed us to operate our facilities more efficiently and reduce the fixed cost allocated to each unit produced, and further improve production efficiency as the capacity ramp-up phase stabilized.

Other Income and Other Gains, Net

Our other income and other gains, net decreased by 6.8% from RMB374.9 million in 2024 to RMB349.4 million in 2025. This decrease was primarily driven by a net foreign exchange loss of RMB251.2 million in 2025, compared to a net foreign exchange gain of RMB204.1 million in 2024, primarily due to fluctuations in the exchange rate between the U.S. dollar and Renminbi. This decrease was partially offset by a gain on derivative financial instruments at FVTPL of RMB162.7 million in 2025, compared to a loss of RMB167.8 million for the same period in 2024, resulting from the disposal and favorable fair value movements of our foreign exchange derivatives.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 8.4% from RMB367.6 million in 2024 to RMB398.6 million in 2025. This increase was primarily attributable to an increase in employee remuneration from RMB256.2 million to RMB305.0 million, which was mainly due to (i) an increase in the number of our sales personnel to support our business expansion, and (ii) an increase in equity-settled share-based payment expenses.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 29.3% from RMB1,652.9 million in 2024 to RMB2,137.4 million in 2025, primarily due to an increase in employee remuneration from RMB797.9 million to RMB1,155.7 million. This was mainly driven by our headcount growth in our administrative personnel and an increase in equity-settled share-based payment expenses.

Research and Development Expenses

Our research and development expenses increased by 19.7% from RMB1,990.5 million in 2024 to RMB2,381.6 million in 2025. This increase was mainly due to: (i) an increase in employee remuneration from RMB1,089.8 million to RMB1,345.8 million, primarily reflecting the hiring of new R&D personnel and an increase in equity-settled share-based payment expenses, and (ii) an increase in material consumption from RMB743.5 million to RMB896.6 million in line with expanded R&D activities and business scale.

Provision for Impairment Losses on Non-current Assets

Our provision for impairment losses on non-current assets increased from RMB177.6 million in 2024 to RMB198.2 million in 2025, primarily due to the impairment provisions made for certain idle equipment and machinery with outdated production capacity in 2025 as part of our ongoing asset optimization.

Reversal of/(Provision for) Impairment Losses on Financial Assets

In 2024, we recorded a net provision for impairment losses of RMB48.7 million, as compared to a net reversal of impairment losses of RMB1.1 million in 2025. This change from a net provision to a net reversal was primarily due to a decrease in provision for impairment losses on trade and bills receivable and the reversal of impairment for other receivables in 2025.

Finance Costs

Our finance costs increased by 25.0% from RMB304.2 million in 2024 to RMB380.3 million in 2025. The increase was primarily due to (i) an increase in interest expenses on bonds payables in line with our expanded financing scale, (ii) an increase in interest on lease liabilities as a result of our business expansion with more leased properties, and (iii) an increase in interest expense on bank borrowings and other borrowings, primarily attributable to higher interest expenses on discounted notes.

Share of Results of Associates and Joint Ventures

Our share of results of associates and joint ventures increased significantly from a share of losses of RMB30.2 million in 2024 to a share of profits of RMB60.6 million in 2025. This increase was primarily attributable to the improved financial performance of some of our associates.

Income Tax

Our income tax expense decreased from RMB435.6 million in 2024 to RMB406.6 million in 2025. Despite the growth in our profit before taxation, the decrease in income tax expense was primarily attributable to the increased utilization of tax losses for which deferred tax assets had not been recognized in prior years and an increase in the additional tax deduction for research and development expenses.

Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year increased by 32.2% from RMB1,760.7 million in 2024 to RMB2,326.8 million in 2025. Our net profit margin increased from 4.0% in 2024 to 4.5% in 2025.

Comparison of Year Ended December 31, 2024 and Year Ended December 31, 2023

Revenue

Revenue by segment. Our revenue increased by 29.6% from RMB34,154.0 million in 2023 to RMB44,259.5 million in 2024. This increase was primarily driven by strong growth in our electronic devices segment.

- *Electronic devices*. Revenue from our electronic devices segment increased by 32.8% from RMB30,713.2 million in 2023 to RMB40,779.8 million in 2024. This increase was primarily attributable to the growth in sales orders for our new products, including the imaging and displays product line and sensor and related component and module product line. The growth in sales orders was primarily driven by our successful technological development in these product lines, as well as the recovery of downstream smart electronics markets in 2024. According to Frost & Sullivan, global smart electronics shipments rebounded from 1,949.1 million units in 2023 to 2,081.5 million units in 2024, with global smartphone shipments recovering from 1,164.1 million units to 1,238.8 million units during the same period.

- *Automotive and advanced air mobility*. Revenue from our automotive and advanced air mobility segment increased by 52.9% from RMB1,384.5 million in 2023 to RMB2,116.9 million in 2024. This increase was primarily driven by our growing sales volume and market share in the global NEV market.

- *Others*. Our other revenue decreased by 33.7% from RMB2,056.3 million in 2023 to RMB1,362.9 million in 2024. This was primarily due to a decline in our clean energy business, which experienced a phased reduction in customer orders.

Revenue by geographical region. The overall revenue growth was reflected in both our Chinese Mainland and overseas markets, with particularly strong expansion internationally.

- *Chinese Mainland*. Revenue from Chinese Mainland increased by 14.3% from RMB24,055.8 million in 2023 to RMB27,507.0 million in 2024. The growth was primarily driven by the recovering demand for high-end smartphones and significant growth in emerging businesses such as the automotive product line.

- *Overseas*. Revenue from overseas markets increased substantially by 65.9% from RMB10,098.2 million in 2023 to RMB16,752.6 million in 2024. This strong growth was mainly driven by increased order volumes from key overseas customers and enhanced production capacity at our overseas manufacturing plants, which supported larger shipments of smartphones and other products.

Cost of Sales

Our cost of sales increased by 36.4% from RMB27,760.5 million in 2023 to RMB37,866.4 million in 2024. The increase in our cost of sales was mainly due to higher direct materials costs, direct labor costs, and manufacturing overhead, which were consistent with the growth in revenue and sales volume resulting from our expanded production scale and activities.

Gross Profit and Gross Margin

Our gross profit remained relatively stable at RMB6,393.5 million in 2023 to RMB6,393.1 million in 2024. Our gross margin decreased from 18.7% in 2023 to 14.4% in 2024. The decrease was primarily attributable to changes in the following business segments.

- *Electronic Devices*. Our gross profit for the electronic devices segment increased from RMB6,311.9 million in 2023 to RMB6,549.5 million in 2024, while the segment gross margin decreased from 20.6% in 2023 to 16.1% in 2024. The decrease in gross margin was primarily because: (i) we employed a competitive pricing strategy for the fast-growing imaging and display product line to capture market share, (ii) this product line carries a structurally lower gross margin compared to our mature businesses, as it is still in the capacity ramp-up phase and has a relatively high proportion of core material costs, and (iii) we incurred higher unit costs for our AI glasses and XR wearable devices business as it was in the early stages of market penetration, with certain projects operating at a loss during their initial phases. Specifically, our strategic VR glasses projects were exploratory initiatives aimed at market expansion rather than immediate profitability. These projects recorded a negative gross margin, and we substantially ceased their production by June 2024.

- *Automotive and Advanced Air Mobility*. Our gross profit in this segment decreased from RMB25.7 million in 2023 to RMB12.7 million in 2024, and the segment gross margin decreased from 1.9% to 0.6%. This decrease was primarily because we were in the process of relocating and consolidating our manufacturing resources dedicated to this segment, which caused a temporary disruption in our production efficiency.

- *Others*. We recorded a turnaround from a gross profit of RMB55.9 million with a gross margin of 2.7% in 2023 to a gross loss of RMB169.1 million with a negative gross margin of 12.4% in 2024. This gross loss in 2024 was primarily because we incurred significant upfront fixed costs and labor costs during the initial establishment of our overseas factories for the clean energy business.

Other Income and Other Gains, Net

Our other income and other gains, net increased by 81.1% from RMB207.0 million in 2023 to RMB374.9 million in 2024. This was primarily driven by (i) an increase in net exchange gains from RMB94.3 million in 2023 to RMB204.1 million in 2024, principally due to favorable exchange rate fluctuations, (ii) a decrease in loss on derivative financial instruments at FVTPL from RMB277.1 million in 2023 to RMB167.8 million in 2024, resulting from less unfavorable movements in the fair value of our foreign exchange derivative contracts, and (iii) an increase in bank interest income from RMB51.9 million in 2023 to RMB67.4 million in 2024.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 9.7% from RMB335.0 million in 2023 to RMB367.6 million in 2024, mainly due to an increase in employee remuneration for our sales staff from RMB226.3 million in 2023 to RMB256.2 million in 2024, reflecting the expansion of our sales team to support business growth.

Administrative and Other Operating Expenses

Our administrative and other operating expenses remained relatively stable at RMB1,623.5 million in 2023 to RMB1,652.9 million in 2024.

Research and Development Expenses

Our research and development expenses increased by 9.6% from RMB1,815.7 million in 2023 to RMB1,990.5 million in 2024. The increase was primarily driven by (i) an increase in employee remuneration for R&D personnel from RMB951.3 million to RMB1,089.8 million, reflecting our strategic expansion of the R&D team to support the development of new products, and (ii) an increase in material consumption for R&D activities from RMB677.9 million to RMB743.5 million, reflecting higher material requirements for new project development.

Provision for Impairment Losses on Non-Current Assets

Our provision for impairment losses on non-current assets decreased by 40.9% from RMB300.3 million in 2023 to RMB177.6 million in 2024. This was primarily due to a decrease in provision for impairment losses on property, plant and equipment from RMB234.4 million in 2023 to RMB45.5 million in 2024, which was partially offset by an increase in provision for impairment losses on goodwill from RMB65.6 million to RMB128.7 million.

Reversal of/(Provision for) Impairment Losses on Financial Assets

We recorded a net provision of impairment losses on financial assets of RMB48.7 million in 2024, compared to a net reversal of RMB215.4 million in 2023. This change was primarily driven by a provision of impairment losses related to trade and bills receivables amounting to RMB147.3 million in 2024, compared to a reversal of RMB11.7 million in 2023.

Finance Costs

Our finance costs decreased by 12.8% from RMB348.7 million in 2023 to RMB304.2 million in 2024. The decrease was primarily driven by a decrease in interest expenses on bank borrowings and other borrowings which was mainly attributable to a lower average borrowing interest rate achieved in 2024.

Share of Results of Associates and Joint Ventures

We recorded a share of losses of associates and joint ventures of RMB30.2 million in 2024, compared to a share of profits of RMB95.2 million in 2023. This negative swing was primarily driven by the decreased profitability of several associates and the disposal of an associate and a joint venture in 2023.

Income Tax

Income tax expense decreased by 8.1% from RMB474.1 million in 2023 to RMB435.6 million in 2024. This decrease was primarily due to the decrease in our profit before taxation.

Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year decreased by 12.6% from RMB2,013.9 million in 2023 to RMB1,760.7 million in 2024. Our net profit margin decreased from 5.9% in 2023 to 4.0% in 2024.

SELECTED ITEMS IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-current assets			
Investment properties	47,690	278,089	275,232
Property, plant and equipment	13,624,409	15,199,562	20,337,446
Intangible assets	260,672	163,171	144,781
Goodwill	1,302,622	1,173,941	2,703,669
Interests in associates and joint ventures	525,188	569,275	796,951
Prepayments	525,510	331,397	334,150
Other non-current financial assets	301,402	277,828	103,452
Deferred tax assets	630,109	676,936	732,460
Time deposits	824,556	977,456	1,190,064
Subtotal	**18,042,158**	**19,647,655**	**26,618,205**
Current assets			
Inventories	5,736,087	5,859,234	7,189,891
Contract assets	–	–	80
Trade and other receivables	10,231,407	12,824,939	15,829,762
Other current financial assets	313,288	255,477	1,932,780
Tax recoverable	22,840	32,772	66,379
Restricted bank deposits	120,257	534,429	735,617
Cash and cash equivalents	2,901,134	6,038,980	5,447,511
Time deposits	–	–	80,225
Subtotal	**19,325,013**	**25,545,831**	**31,282,245**
Current liabilities			
Short-term borrowings	3,442,164	3,195,034	9,042,555
Trade and other payables	9,600,285	11,938,675	16,366,558
Contract liabilities	17,478	26,435	92,664
Lease liabilities – current portion	217,760	293,626	385,133
Current taxation	169,029	213,732	373,597
Bonds payables	–	499	–
Other current financial liabilities	–	130,183	224,006
Subtotal	**13,446,716**	**15,798,184**	**26,484,513**
Net current assets	**5,878,297**	**9,747,647**	**4,797,732**
Total assets less current liabilities	**23,920,455**	**29,395,302**	**31,415,937**
Non-current liabilities			
Interest-bearing borrowings	3,986,350	5,826,760	4,299,483
Other non-current payables	776,527	753,237	755,926
Bonds payables	–	2,076,017	–
Lease liabilities – non-current portion	487,466	503,406	1,116,942
Other non-current financial liabilities	–	–	544,762
Deferred tax liabilities	389,419	386,901	340,876
Subtotal	**5,639,762**	**9,546,321**	**7,057,989**
Net assets	**18,280,693**	**19,848,981**	**24,357,948**

Property, Plant and Equipment

Our property, plant and equipment mainly consisted of buildings, machinery, motor vehicles, furniture, fixtures and equipment, leasehold improvements, right-of-use assets, and construction in progress.

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Buildings	2,921,041	3,093,625	4,408,795
Machinery	7,177,043	7,587,672	9,528,902
Motor vehicles	22,597	21,605	41,367
Furniture, fixtures and equipment	305,007	352,831	465,759
Freehold lands	–	–	21,423
Construction in progress	1,050,673	2,078,084	2,859,780
Leasehold improvements	663,918	520,997	529,039
Right-of-use assets	1,484,130	1,544,748	2,482,381
Total	**13,624,409**	**15,199,562**	**20,337,446**

The carrying amount of our property, plant and equipment increased continuously from RMB13,624.4 million as of December 31, 2023 to RMB15,199.6 million as of December 31, 2024, and further to RMB20,337.4 million as of December 31, 2025. This trend of continuous growth was primarily attributable to (i) additions of long-term assets resulting from our business acquisitions in 2025, (ii) our ongoing strategic investments in constructing new manufacturing plants and acquiring production equipment to support our business expansion, and (iii) additions from newly leased manufacturing plants.

Intangible Assets

Our intangible assets consist primarily of patents, software, customer relationships, and core technologies which are either internally developed or acquired in business combinations. Our intangible assets were RMB260.7 million, RMB163.2 million and RMB144.8 million as of December 31, 2023, 2024 and 2025, respectively. This trend primarily reflects the ongoing amortization of intangible assets with finite useful lives, while new additions have been less significant.

Goodwill

During the Track Record Period, we recorded goodwill of RMB1,302.6 million, RMB1,173.9 million and RMB2,703.7 million as of December 31, 2023, 2024 and 2025, respectively. Our goodwill primarily arose from our strategic acquisitions and was allocated to the cash-generating units ("CGUs") of our business of Zhejiang Xianglong, mobile charger business, precision structural parts business, and the business of other acquired entities. The decrease in the carrying amount of our goodwill from RMB1,302.6 million as of December 31, 2023 to RMB1,173.9 million as of December 31, 2024 was primarily attributable to impairment losses recognized for the (i) mobile charger business and (ii) precision structural parts business, which were driven by updated market forecasts. Our goodwill significantly increased from RMB1,173.9 million as of December 31, 2024 to RMB2,703.7 million as of December 31, 2025, primarily attributable to the recognition of goodwill totaling approximately RMB1,572.3 million arising from our acquisitions completed during 2025.

Impairment Testing on Goodwill

At each reporting date during the Track Record Period, we perform impairment testing on goodwill. The recoverable amounts of the respective CGUs are determined based on value-in-use ("VIU") calculations. These calculations use cash flow projections based on financial budgets approved by our management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated long-term terminal growth rate of 0%. The pre-tax discount rates used reflect specific risks relating to the relevant CGUs and the countries in which they operate.

During the Track Record Period, we recognized certain impairment losses primarily driven by updated market forecasts and situations where the performance of certain business lines fell short of our initial expectations:

Precision structural parts business. As of December 31, 2024 and 2025, the recoverable amount of this CGU was assessed to be RMB1,850.0 million and RMB1,686.7 million, respectively, which was lower than its carrying amount. As a result, impairment losses of RMB38.9 million and RMB42.5 million on goodwill were recognized in 2024 and 2025, respectively. As of December 31, 2023, the recoverable amount of this CGU was estimated to exceed its carrying amount by approximately RMB124.2 million.

Mobile charger business. As of December 31, 2023 and 2025, the recoverable amount of this CGU was estimated to exceed its carrying amount by approximately RMB1,465.1 million and RMB163.6 million, respectively. As of December 31, 2024, the recoverable amount of this CGU was assessed to be RMB2,990.0 million, leading to an impairment loss on goodwill of RMB89.8 million.

Base station components business. As of December 31, 2023, the recoverable amount of this CGU was assessed to be RMB19.5 million, which was lower than its carrying amount as the business performance fell short of expectations. Accordingly, a full impairment loss of RMB65.6 million on goodwill was recognized, and the carrying amount of the goodwill was impaired to nil.

Other CGUs. At the end of each reporting period during the Track Record Period, the recoverable amounts of the screen protector business and communication device parts business were higher than their respective carrying amounts. Therefore, no impairment of goodwill was required for these CGUs.

Based on the impairment assessments performed on the impaired CGUs, except for the impairment losses recognized on goodwill, no further material impairment losses were recognized on other non-current assets allocated to the relevant CGUs during the Track Record Period.

For the purpose of impairment testing, the carrying amount of goodwill is allocated to our CGUs according to the nature of our businesses. The following table sets forth details of the carrying amount of goodwill allocated to our respective CGUs as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Business of Zhejiang Xianglong	–	–	1,364,993
Mobile charger business	695,375	605,547	605,547
Precision structural parts business	517,795	478,942	436,409
Business of Jieying Technology	–	–	165,231
Screen protector business	54,074	54,074	54,074
Communication devices parts business	33,978	33,978	33,978
Business of Jiangsu Kooda	–	–	42,037
Automotive products	1,336	1,336	1,336
Others	64	64	64
Total	**1,302,622**	**1,173,941**	**2,703,669**

The key assumptions used in estimating the recoverable amount for the CGUs containing significant goodwill are as follows:

	2023	2024	2025
Annual sales growth rate			
Mobile charger business	5%~19%	5%~14%	6%~13%
Precision structural parts business	2%~20%	5%~21%	2%~32%
Screen protector business	-7%~1%	1%~2%	-20%~5%
Communication devices parts business	5%~8%	1%~3%	-9%~1%
Base station components business	-19%~95%	–	–
Business of Jieying Technology	N/A	N/A	1%~20%
Business of Jiangsu Kooda	N/A	N/A	5%~7%
Business of Zhejiang Xianglong	N/A	N/A	5%~20%
Long-term average growth rate			
Precision structural parts business	0%	0%	0%
Communication devices parts business	0%	0%	0%
Screen protector business	0%	0%	0%
Mobile charger business	0%	0%	0%
Base station components business	0%	–	–
Business of Jieying Technology	N/A	N/A	0%
Business of Jiangsu Kooda	N/A	N/A	0%
Business of Zhejiang Xianglong	N/A	N/A	0%
Gross margins			
Mobile charger business	10%~12%	8%~11%	7%~10%
Precision structural parts business	10%~15%	10%~15%	0%~15%
Screen protector business	15%	13%~14%	12%~13%
Communication devices parts business	54%~55%	62%	57%~58%
Base station components business	0%~16%	–	–
Business of Jieying Technology	N/A	N/A	27%
Business of Jiangsu Kooda	N/A	N/A	14%~15%
Business of Zhejiang Xianglong	N/A	N/A	17%
Pre-tax discount rate			
Mobile charger business	15%	12%	13%
Precision structural parts business	16%	14%	15%
Screen protector business	15%	14%	14%
Communication devices parts business	14%	12%	14%
Base station components business	15%	–	–
Business of Jieying Technology	N/A	N/A	17%
Business of Jiangsu Kooda	N/A	N/A	11%
Business of Zhejiang Xianglong	N/A	N/A	12%

For the CGUs that were impaired during the respective years, we have conducted sensitivity analyses to assess the impact of changes in key assumptions on their recoverable amounts:

Precision structural parts business. In 2024, a 0.5% decrease in the annual sales growth rate or a 0.5% increase in the pre-tax discount rate would decrease the recoverable amount by RMB59.0 million and RMB91.0 million, respectively. In 2025, a 0.5% decrease in the annual sales growth rate or a 0.5% increase in the pre-tax discount rate would decrease the recoverable amount by RMB58.6 million and RMB108.1 million, respectively.

Mobile charger business. In 2024, a 0.5% decrease in the annual sales growth rate or a 0.5% increase in the pre-tax discount rate would decrease the recoverable amount by RMB112.0 million and RMB188.0 million, respectively.

Base station components business. In 2023, a 0.5% decrease in the annual sales growth rate or a 0.5% increase in the pre-tax discount rate would decrease the recoverable amount by RMB1.6 million and RMB3.0 million, respectively.

Our management has undertaken a sensitivity analysis on the impairment test of goodwill for the CGUs containing significant remaining goodwill and not being impaired. The following table sets out the headroom (calculated as the recoverable amount deducting the carrying amount) and the exact percentage changes to the annual sales growth rate and the pre-tax discount rate that would, in isolation, cause the recoverable amount of the respective CGUs to equal its carrying amount with all other variables held constant:

	As of December 31,		
	2023	2024	2025
Mobile charger business			
Headroom (RMB in millions)	1,465.1	N/A	163.6
Annual sales growth rate decrease	6.80%	N/A	0.62%
Pre-tax discount rate increase	3.97%	N/A	0.42%
Precision structural parts business			
Headroom (RMB in millions)	124.2	N/A	N/A
Annual sales growth rate decrease	1.17%	N/A	N/A
Pre-tax discount rate increase	0.76%	N/A	N/A
Screen protector business			
Headroom (RMB in millions)	42.9	58.2	12.2
Annual sales growth rate decrease	14.66%	13.95%	3.54%
Pre-tax discount rate increase	10.60%	21.00%	2.72%
Communication devices parts business			
Headroom (RMB in millions)	8.4	57.3	27.6
Annual sales growth rate decrease	1.03%	6.88%	4.85%
Pre-tax discount rate increase	1.32%	6.40%	3.11%
Business of Jieying Technology			
Headroom (RMB in millions)	N/A	N/A	22.5
Annual sales growth rate decrease	N/A	N/A	0.26%
Pre-tax discount rate increase	N/A	N/A	0.88%
Business of Zhejiang Xianglong			
Headroom (RMB in millions)	N/A	N/A	176.2
Annual sales growth rate decrease	N/A	N/A	1.13%
Pre-tax discount rate increase	N/A	N/A	0.81%

Net Current Assets

The following table sets forth the breakdown of our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Current assets				
Inventories	5,736,087	5,859,234	7,189,891	7,284,839
Contract assets	–	–	80	1,820
Trade and other receivables	10,231,407	12,824,939	15,829,762	13,664,731
Other current financial assets	313,288	255,477	1,932,780	1,713,675
Tax recoverable	22,840	32,772	66,379	49,066
Restricted bank deposits	120,257	534,429	735,617	1,058,510
Cash and cash equivalents	2,901,134	6,038,980	5,447,511	3,991,502
Time deposits	–	–	80,225	45,208
Total current assets	**19,325,013**	**25,545,831**	**31,282,245**	**27,809,351**

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Current liabilities				
Short-term borrowings	3,442,164	3,195,034	9,042,555	8,784,435
Trade and other payables	9,600,285	11,938,675	16,366,558	13,257,525
Contract liabilities	17,478	26,435	92,664	51,075
Lease liabilities – current portion	217,760	293,626	385,133	453,591
Current taxation	169,029	213,732	373,597	347,114
Bonds payables	–	499	–	–
Other current financial liabilities	–	130,183	224,006	233,645
Total current liabilities	**13,446,716**	**15,798,184**	**26,484,513**	**23,127,385**
Net current assets	**5,878,297**	**9,747,647**	**4,797,732**	**4,681,966**

Our net current assets decreased from RMB4,797.7 million as of December 31, 2025 to RMB4,682.0 million as of April 30, 2026, primarily because the decrease in our total current assets outpaced the decrease in our total current liabilities. The decrease in total current assets from RMB31,282.2 million to RMB27,809.4 million was mainly attributable to (i) a decrease in trade and other receivables from RMB15,829.8 million to RMB13,664.7 million; (ii) a decrease in cash and cash equivalents from RMB5,447.5 million to RMB3,991.5 million; and (iii) a decrease in other current financial assets from RMB1,932.8 million to RMB1,713.7 million. The decrease in total current liabilities from RMB26,484.5 million to RMB23,127.4 million was primarily due to a decrease in trade and other payables from RMB16,366.6 million to RMB13,257.5 million.

Our net current assets decreased from RMB9,747.6 million as of December 31, 2024 to RMB4,797.7 million as of December 31, 2025, primarily because the increase in our total current liabilities outpaced the growth in our total current assets. The increase in total current liabilities from RMB15,798.2 million to RMB26,484.5 million was mainly driven by (i) an increase in short-term borrowings from RMB3,195.0 million to RMB9,042.6 million; and (ii) an increase in trade and other payables from RMB11,938.7 million to RMB16,366.6 million, in line with our expanded procurement activities. The increase in total current assets from RMB25,545.8 million to RMB31,282.2 million was mainly attributable to (i) an increase in other current financial assets from RMB255.5 million to RMB1,932.8 million as we invested in new short-term wealth management products; (ii) an increase in inventories from RMB5,859.2 million to RMB7,189.9 million to support growing sales orders; and (iii) an increase in trade and other receivables from RMB12,824.9 million to RMB15,829.8 million, consistent with revenue growth. This overall increase was partially offset by a decrease in our cash and cash equivalents from RMB6,039.0 million to RMB5,447.5 million.

Our net current assets increased from RMB5,878.3 million as of December 31, 2023 to RMB9,747.6 million as of December 31, 2024. This was primarily driven by an increase in our total current assets that outpaced the increase in our total current liabilities. The increase in total current assets from RMB19,325.0 million to RMB25,545.8 million was mainly due to (i) an increase in our cash and cash equivalents from RMB2,901.1 million to RMB6,039.0 million, largely attributable to the net proceeds received from our issuance of convertible bonds in November 2024; and (ii) an increase in our trade and other receivables from RMB10,231.4 million to RMB12,824.9 million, which was in line with the growth in our revenue. The increase in total current liabilities from RMB13,446.7 million to RMB15,798.2 million was mainly due to an increase in our trade and other payables from RMB9,600.3 million to RMB11,938.7 million.

Inventories

Our inventories primarily consist of raw materials, work-in-progress, finished goods, goods in transit, consigned processing material and consumables. Consigned processing materials represent the raw materials that we have provided to third-party subcontractors for processing into semi-finished goods. We engage these subcontractors primarily to (i) access specific manufacturing processes or technologies that are currently not available in-house, and (ii) supplement our production capacity during peak periods to meet high delivery demands. We retain ownership of these materials during the processing period and pay processing fees upon completion. Our inventory management strategy involves procurement based on production plans and safety stock levels, controls on work-in-progress levels, and regular monitoring of inventory turnover and obsolete materials. The following table sets forth the principal components of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Raw materials	1,466,010	1,272,861	1,370,161
Work-in-progress	834,521	1,028,381	1,221,395
Finished goods	3,263,141	3,133,891	4,313,484
Goods in transit	85,394	315,496	175,520
Consigned processing materials	76,206	90,942	92,727
Consumables	10,815	17,663	16,604
Total	**5,736,087**	**5,859,234**	**7,189,891**

Our inventories increased from RMB5,736.1 million as of December 31, 2023 to RMB5,859.2 million as of December 31, 2024. This was mainly due to increases in our work-in-progress and goods in transit, which were partially offset by a decrease in raw materials and finished goods. The increase in work-in-progress reflected a higher level of production activity at year-end to meet customer delivery schedules amid strong revenue growth. Our inventories increased from RMB5,859.2 million as of December 31, 2024 to RMB7,189.9 million as of December 31, 2025. This was mainly attributable to (i) the consolidation of newly acquired subsidiaries in 2025 and (ii) the growth in finished goods, which was primarily driven by our proactive stock build-up to meet expected sales growth.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	6,056,157	6,280,487	7,505,230
One to two years	92,583	158,537	182,178
Over two years	25,555	34,753	52,499
Subtotal	**6,174,295**	**6,473,777**	**7,739,907**
Less: inventory provision	(438,208)	(614,543)	(550,016)
Total	**5,736,087**	**5,859,234**	**7,189,891**

The following table sets forth our inventory turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Inventory turnover days[(1)]	71	56	55

Note:

(1) The inventory turnover days are derived by dividing the average of the beginning and ending inventories by cost of sales for the relevant year and multiplied by the number of days in the respective year.

Our inventory turnover days improved significantly, decreasing from 71 days in 2023 to 56 days in 2024, which was primarily due to stronger sales velocity driven by the growth in our revenue. Our inventory turnover days remained relatively stable at 55 days in 2025.

As of April 30, 2026, approximately RMB6,810.2 million, or 94.7% of our inventories as of December 31, 2025, had been subsequently sold or utilized.

Other Financial Assets

Our other financial assets consist of both non-current and current portions. The non-current portion primarily comprises equity investments, including (i) our investment in a listed company, measured at fair value through profit or loss ("FVTPL"), and (ii) our investments in certain unlisted companies held for long-term strategic purposes, measured at fair value through other comprehensive income ("FVTOCI"). The current portion consists of (i) listed equity securities held for trading, classified as FVTPL; (ii) notes receivables, which are primarily bank acceptance bills that we may hold to collect cash flows or sell before maturity, classified as FVTOCI; (iii) derivative financial instruments, such as forward foreign exchange contracts, measured at FVTPL; and (iv) short-term bank wealth management products, also measured at FVTPL.

The following table sets forth a breakdown of our other financial assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-Current Financial Assets			
Financial assets at FVTPL	227,568	204,026	18,127
Financial assets at FVTOCI	73,834	73,802	85,325
Subtotal	**301,402**	**277,828**	**103,452**
Current Financial Assets			
Bank wealth management products (FVTPL)	26,606	–	1,495,521
Listed equity securities (FVTPL)	11,000	6,960	19,929
Derivative financial instruments (FVTPL)	36,691	–	836
Contingent consideration (FVTPL)	–	–	13,116
Notes receivables (FVTOCI)	238,991	248,517	403,378
Subtotal	**313,288**	**255,477**	**1,932,780**
Total	**614,690**	**533,305**	**2,036,232**

Our total other financial assets decreased from RMB614.7 million as of December 31, 2023 to RMB533.3 million as of December 31, 2024. This was mainly attributable to a decrease in both our current and non-current portions. Current financial assets decreased from RMB313.3 million to RMB255.5 million, primarily because our holdings of bank wealth management products were fully redeemed, which decreased from RMB26.6 million as of December 31, 2023 to nil as of December 31, 2024. Furthermore, our derivative financial instruments, which were an asset of RMB36.7 million as of December 31, 2023, became a liability of RMB130.2 million as of December 31, 2024, due to unfavorable fair value movements. Non-current financial assets decreased from RMB301.4 million to RMB277.8 million, primarily due to a decrease in the value of our financial assets at FVTPL from RMB227.6 million to RMB204.0 million. This was mainly the result of the partial sale of our strategic investment in a listed company during the year, combined with fair value changes on the remaining holding.

Our total other financial assets increased from RMB533.3 million as of December 31, 2024 to RMB2,036.2 million as of December 31, 2025. This increase was primarily driven by an increase in our current financial assets. The increase in current financial assets from RMB255.5 million to RMB1,932.8 million was mainly due to an increase in our holdings of bank wealth management products from nil as of December 31, 2024 to RMB1,495.5 million as of December 31, 2025. This overall increase was partially offset by a significant decrease in our non-current financial assets from RMB277.8 million as of December 31, 2024 to RMB103.5 million as of December 31, 2025, which was primarily attributable to the full disposal of our equity interest in a public company following a change in our holding intention.

Wealth Management Products

During the Track Record Period, we utilized idle funds to purchase wealth management products to improve the efficiency of our capital usage and generate additional returns without affecting our daily operations. Our portfolio of wealth management products primarily consists of: (i) structured deposits and large-denomination certificates of deposit, which are principal-protected or principal-guaranteed products with fixed or determinable returns, typically issued by large-scale state-owned or joint-stock commercial banks in the Chinese Mainland, (ii) bank wealth management products, which are primarily low-risk or floating-return investment products investing in money market instruments and bonds, issued by certified financial institutions and reputable commercial banks in the PRC, and (iii) overseas time deposits, which represent fixed-term deposits placed with top-tier international banking institutions for our overseas entities. All of the above products are assessed by us to be of extremely low to medium-low risk, and the majority of them have a short-term maturity or feature flexible redemption mechanisms to ensure high liquidity and capital safety.

We have adopted a prudent and robust capital management policy designated to protect our capital and liquidity while maximizing returns on idle funds. Our investment strategy strictly adheres to the following principles:

- *Legitimate Counterparties*. We only transact with qualified financial institutions holding valid operating licenses and strictly prohibit dealings with non-licensed institutions.

- *Principal Safety & Risk Control*. We strictly limit our investments to extremely low-risk, low-risk, and low-to-medium risk products, such as fixed-income products and currency funds.

- *Operational Priority*. Funds used for wealth management must be strictly limited to idle self-owned funds. We ensure that such investments do not interfere with our daily production, operations, or strategic investment needs.

- *Liquidity Management*. We prioritize liquidity by focusing on short-term products (generally with a term of less than one year) and strictly prohibiting long-term investments or projects that are difficult to liquidate in a timely manner.

We have established and strictly enforced comprehensive internal control measures, including our *Securities Investment Management Policy*, *Cash Management Policy* and *Internal Audit Policy*, to govern our investment activities. Key aspects of our internal control mechanism include:

- *Tiered Approval Authority*. We implement a strict tiered approval system based on the investment amount as a percentage of our latest audited net assets. Investment plans are subject to review and approval by the General Manager, the Board, or the Shareholders' General Meeting, respectively, according to their authorization limits.

- *Segregation of Duties*. We strictly enforce the separation of incompatible duties. Responsibilities for investment application, approval, execution, and accounting recording are assigned to different personnel to ensure effective checks and balances.

- *Ledger Management & Archiving*. Our treasury department maintains a comprehensive standing ledger to record details of each product and dynamically tracks redemption and returns. All legal documents, such as agreements and prospectuses, are centrally archived for traceability.

- *Monitoring and Supervision*. Our Board authorizes the management to designate personnel to track the progress and safety of investments. The internal audit department regularly reviews the actual operation, fund usage, and returns of our wealth management activities. Additionally, our independent non-executive Directors and the Audit Committee have the right to supervise and inspect funds usage and may engage professional institutions for audit if necessary.

Our management team possesses extensive experience and professional expertise in capital management. The team comprises professionals with diverse backgrounds in investment institutions, investment banking, finance, and law. Leveraging their deep understanding of credit risks and market fluctuations, they have established a full-process risk control system covering "pre-investment assessment, in-investment monitoring, and post-investment review" to ensure the safety and compliance of our investment activities.

Our Board is actively involved in the supervision and decision-making process regarding our wealth management activities. We have established clear thresholds for Board approval. For instance, any entrusted wealth management investment exceeding 10% of our latest audited net assets with an absolute amount exceeding RMB10 million requires prior deliberation and approval by the Board. Investments exceeding 50% of our latest audited net assets with an absolute amount exceeding RMB50 million generally require Shareholders' approval. During the Track Record Period, all relevant wealth management transactions were duly approved by the Board and disclosed in accordance with relevant regulations. Upon the Listing, our investment in such wealth management products will be subject to compliance with the requirements under Chapter 14 of the Listing Rules. We will closely monitor transaction sizes to ensure timely disclosure and compliance with reporting, announcement, and shareholders' approval requirements as applicable.

Trade and Other Receivables

Our trade and other receivables consist of (i) non-current prepayments, which mainly include prepayments made for the purchase of property, plant and equipment and prepayments for investment, and (ii) current assets, which include (a) trade receivables, representing balances due from our customers, net of loss allowance; (b) bills receivables, which are primarily bank acceptance notes received from customers in lieu of cash payment; and (c) deposits, prepayments and other receivables, which mainly consist of VAT recoverable, mold costs to be amortized, amounts due from related parties and others.

The following table sets forth our trade and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current			
Prepayments			
– Prepayments for purchase of property, plant and equipment	525,510	331,397	333,197
– Amount due from related parties	–	–	953
	525,510	**331,397**	**334,150**
Current			
Trade receivables, net of loss allowance	8,790,675	11,444,644	13,769,760
Bills receivables, net of loss allowance	129,944	104,488	253,945
Subtotal	**8,920,619**	**11,549,132**	**14,023,705**
Deposits, prepayments and other receivables	1,310,788	1,275,807	1,806,057
Subtotal	**10,231,407**	**12,824,939**	**15,829,762**
Total	**10,756,917**	**13,156,336**	**16,163,912**

The non-current portion of our trade and other receivables decreased from RMB525.5 million as of December 31, 2023, to RMB331.4 million as of December 31, 2024, primarily due to the settlement of previous prepayments, as certain prepayments for construction projects were transferred to construction-in-progress and other prepayments for equipment were capitalized as property, plant and equipment upon delivery and acceptance. The balance then increased to RMB334.2 million as of December 31, 2025, primarily due to an increase in prepayments for purchase of property, plant and equipment.

The current portion of our trade and other receivables increased from RMB10,231.4 million as of December 31, 2023 to RMB12,824.9 million as of December 31, 2024, and further to RMB15,829.8 million as of December 31, 2025, mainly driven by (i) an increase in our trade and bills receivables resulting from the consolidation of newly acquired subsidiaries in 2025, and (ii) the continuous increase in our trade receivables in line with our revenue growth.

We normally grant a credit period of 30 to 120 days to our customers, depending on the customer's credit profile, transaction history, and scale of business. The credit period is typically calculated from the invoice date. Our management of trade receivables involves a structured process: (i) pre-transaction credit assessment of customers and setting credit limits; (ii) in-transaction monitoring of contract terms and outstanding balances; and (iii) post-transaction collection procedures for overdue accounts, which may escalate from reminders and halting shipments to formal collection letters and legal action.

We had loss allowance for trade and bills receivables of RMB512.7 million, RMB646.9 million and RMB717.3 million as of December 31, 2023, 2024 and 2025, respectively.

As of December 31, 2023, 2024 and 2025, certain of our trade and bills receivables amounting to RMB23.4 million, RMB23.0 million, and RMB67.2 million, respectively, were pledged as security for bank loans and banking facilities granted to us. As of December 31, 2023, 2024 and 2025, certain of our bills receivables amounting to RMB52.7 million, RMB51.1 million and RMB116.5 million, respectively, were discounted or endorsed for the settlement of trade and other payables and were not derecognized.

The following table sets forth an aging analysis of our trade and bills receivables, based on the invoice date, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	9,384,218	12,142,568	14,677,670
1 year to 2 years	10,416	17,549	15,468
2 years to 3 years	947	1,094	13,152
3 years to 4 years	82	669	739
4 years to 5 years	867	28	322
Over 5 years	36,773	34,164	33,675
Subtotal	**9,433,303**	**12,196,072**	**14,741,026**
Loss allowance	(512,684)	(646,940)	(717,321)
Total	**8,920,619**	**11,549,132**	**14,023,705**

As of December 31, 2023, 2024 and 2025, our bills receivables aged over five years amounted to RMB36.8 million, RMB34.2 million and RMB33.7 million, respectively. These balances primarily relate to historical trading transactions and export/import services transactions with two specific customers. The prolonged non-payment of these receivables was primarily because these two customers experienced severe financial distress and liquidity issues in the second half of 2018, rendering them unable to settle the outstanding payments for the services we provided. Following our strategic exit from such trading businesses in May 2019, these receivables remained as legacy debts. Given the long aging of these receivables, we have fully provided for impairment losses against these balances in accordance with our accounting policies. As such, these amounts have no net impact on our carrying value of trade and bills receivables.

The following table sets forth our trade and bills receivables turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Trade and bills receivables turnover days(1)	97	84	91

Note:

(1) The trade and bills receivables turnover days are derived by dividing the average of the beginning and ending trade and bills receivables, net of loss allowance by revenue for the relevant year and multiplied by the number of days in the respective year.

Our trade and bills receivables turnover days decreased from 97 days in 2023 to 84 days in 2024, primarily due to (i) our enhanced collection efforts, which improved the timing of repayments from customers, and (ii) the significant growth of our new business lines, which generally grant customers shorter credit periods, thereby lowering the average turnover days. Our trade and bills receivables turnover days subsequently increased to 91 days in 2025. This was primarily attributable to (i) the continuous growth of our revenue, which naturally expanded our receivables balance; and (ii) the business combinations completed in December 2025, which only consolidated the acquirees' year-end balance sheets but not their full-year income statements, leading to a disproportionate increase in our ending receivables relative to the recognized revenue.

As of April 30, 2026, approximately RMB15,050.6 million, or 95.1% of our trade and other receivables as of December 31, 2025, had been subsequently settled.

Restricted Bank Deposits

During the Track Record Period, we recorded restricted bank deposits of RMB120.3 million, RMB534.4 million, and RMB735.6 million as of December 31, 2023, 2024, and 2025, respectively. Our restricted bank deposits primarily arose from deposits for bank acceptances, letters of credit, and funds temporarily frozen due to pending litigations.

Our funds frozen due to litigations amounted to RMB16.9 million, RMB88.3 million, and RMB107.0 million as of December 31, 2023, 2024, and 2025, respectively. The increase over the period was primarily attributable to a frozen amount of approximately RMB63.6 million related to a single government subsidy dispute. This dispute arose from a local government subsidy previously granted to one of our assembly projects, and the relevant local government requested repayment of the subsidy on the grounds that the construction progress of the project did not meet the required timeline. Following a first-instance judgment dismissing our claims, we have appealed the case to the higher court. As of the Latest Practicable Date, the appeal was pending acceptance and docketing by the court. For accounting purposes, we have recognized the unamortized subsidy amount in other payables and adequately accrued the relevant capital occupation fees, which represent interest loss calculated based on the one-year Loan Prime Rate published by the National Interbank Funding Center. As of December 31, 2025, the total recognized liabilities under other payables relating to this dispute amounted to RMB185.9 million. Accordingly, the repayment of the subsidy and related capital occupation fees will primarily result in a cash outflow of RMB185.9 million and a corresponding reduction in liabilities of RMB185.9 million. These amounts are calculated as of December 31, 2025, as the capital occupation fees will continue to accrue until the actual date of return. Such repayment is not expected to have a material impact on our results of operations. The remaining balance of our frozen funds primarily relates to ordinary commercial disputes, such as procurement and processing contract disagreements. The liabilities associated with these ordinary commercial disputes have been properly accrued in our trade and other payables, and most of these cases have been resolved as of the Latest Practicable Date. Our Directors are of the view that these frozen funds and related litigations will not have a material adverse effect on our financial position or operations.

Trade and Other Payables

Our trade and other payables consist of both non-current and current portions. The non-current portion primarily comprises deferred government grant income, including both government grants related to income, which are recognized in profit or loss when the related costs are incurred, and government grants related to assets, which are recognized in profit or loss over the useful lives of the related assets. The current portion primarily consists of: (i) trade payables, representing amounts due to suppliers for raw materials and services purchased on credit, (ii) bills payables, which are short-term notes issued to suppliers for trade settlement, (iii) accruals for salaries and bonuses earned by our employees but not yet paid, (iv) dividend payables, which are dividends declared but not yet paid to shareholders, and (v) others, which include accrued payables for equipment and project construction, liabilities related to our employee share-based incentive plans, amounts due to related parties, and other miscellaneous operational accruals.

The following table sets forth details of our trade and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current			
Deferred government grant income	771,822	747,275	627,582
Employee benefits obligation	–	–	36,813
Obligation to acquire NCI	–	–	91,531
Other liabilities	4,705	5,962	–
Subtotal	**776,527**	**753,237**	**755,926**
Current			
Trade payables	6,908,765	8,728,200	10,754,516
Bills payables	541,237	687,029	1,611,216
Accrual for salaries and bonus	436,447	442,570	586,496
Dividend payables	5,465	6,352	6,352
Others	1,708,371	2,074,524	3,407,978
Subtotal	**9,600,285**	**11,938,675**	**16,366,558**
Total	**10,376,812**	**12,691,912**	**17,122,484**

Our total trade and other payables increased continuously from RMB10,376.8 million as of December 31, 2023, to RMB12,691.9 million as of December 31, 2024, and further to RMB17,122.5 million as of December 31, 2025. This continuous growth was primarily attributable to: (i) the consolidation of trade and other payables from our newly acquired subsidiaries in 2025; (ii) a consistent increase in trade payables, which grew from RMB6,908.8 million as of December 31, 2023 to RMB10,754.5 million as of December 31, 2025 over the period, in line with our revenue growth and the expansion of procurement activities required to support our business operations; and (iii) a steady increase in accrued payables for equipment and project construction, reflecting our accelerated capital expenditure and investments in new production lines and facilities. Additionally, the increase as of December 31, 2025 was also partially contributed by an increase in bills payables during the period.

The payment arrangements with our suppliers range from payment upon delivery to credit periods generally from 60 to 120 days. We conduct cash flow forecasting to ensure our working capital remains at a healthy level.

The following table sets forth an aging analysis of trade payables, based on the relevant invoice date, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	6,681,745	8,595,439	10,591,878
1 year to 2 years	87,155	45,033	95,498
2 years to 3 years	129,706	33,179	24,506
3 years to 4 years	7,865	50,782	30,007
4 years to 5 years	904	1,702	7,788
Over 5 years	1,390	2,065	4,839
Total	**6,908,765**	**8,728,200**	**10,754,516**

As of December 31, 2025, our trade payables aged between four and five years increased to RMB7.8 million. These balances primarily relate to specific suppliers and consist of: (i) warranty and retention monies withheld for equipment procurement and construction projects, which are released upon the expiration of the applicable warranty periods, and (ii) amounts withheld due to pending legal disputes or litigation regarding the underlying goods or services. The withholding of these payments was due to pending legal disputes arising from two suppliers' material breaches of their obligations under our procurement agreements. Specifically, these two suppliers were found to have violated our supplier integrity and compliance policies by providing improper economic benefits to certain of our former employees, which was prior to our Track Record Period. To safeguard our legal interests, we temporarily suspended the payment of the outstanding material costs to these suppliers pending the resolution of the relevant legal proceedings, and we filed counterclaims against them for liquidated damages and losses caused by their contractual breaches. As of the Latest Practicable Date, the legal proceedings with both suppliers have been concluded through either final court judgments or settlement. For one supplier, the dispute was concluded through a final court judgment in January 2026. As the relevant outstanding payables exceeded the liquidated damages awarded to us, the mutual debts were offset, and we paid the remaining amount in February 2026, resulting in our historical payables being fully cleared. The dispute with the other supplier was resolved through a settlement agreement in December 2025, and the agreed settlement amount was subsequently fully paid in January 2026. Following these resolutions, the relevant long-aging trade payables have been substantially settled. In response to these historical incidents, we have engaged an independent internal control consultant to review our relevant policies and have implemented enhanced internal control measures. Based on the review results, our Directors are of the view, and the Sole Sponsor concurs, that our enhanced internal control systems are adequate and effective to prevent the recurrence of similar incidents.

The following table sets forth our trade payable and bills payable turnover days for the years indicated:

	For the year ended December 31,		
	2023	**2024**	**2025**
Trade payables and bills payables turnover days[(1)]	92	81	91

Note:

(1) The trade payables and bills payables turnover days are derived by dividing the average of the beginning and ending trade payables and bills payables balance by cost of sales for the relevant year and multiplied by the number of days in the respective year.

Our trade payables and bills payables turnover days decreased from 92 days in 2023 to 81 days in 2024, primarily attributable to the rapid expansion of imaging and displays product line, which we commenced during the year. The suppliers for this product line generally offer shorter credit periods compared to suppliers for our other business lines. In 2025, our trade payable and bills payable turnover days increased to 91 days. This increase was primarily due to the impact of the consolidation of newly acquired subsidiaries in December 2025, which significantly increased our trade and bills payables balance at the end of the year without proportionally contributing to our full-year cost of sales.

As of April 30, 2026, approximately RMB13,380.3 million, or 81.8% of our trade and other payables as of December 31, 2025, had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have financed our operations primarily through cash generated from our operating activities.

The following table sets forth our cash flows for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Cash generated from operations	5,573,575	4,468,243	4,858,952
Income tax paid	(294,824)	(453,182)	(426,150)
Net cash generated from operating activities	5,278,751	4,015,061	4,432,802
Net cash used in investing activities	(2,144,131)	(3,716,494)	(8,199,287)
Net cash (used in)/generated from financing activities	(2,851,262)	2,730,752	3,238,189
Net increase/(decrease) in cash and cash equivalents	**283,358**	**3,029,319**	**(528,296)**
Effect of exchange rate changes	95,670	108,527	(63,173)
Cash and cash equivalents at the beginning of the year	**2,522,106**	**2,901,134**	**6,038,980**
Cash and cash equivalents at the end of the year	**2,901,134**	**6,038,980**	**5,447,511**

Net Cash Generated from Operating Activities

Net cash from operating activities was RMB4,432.8 million in 2025, primarily due to a profit before tax of RMB2,733.4 million, as adjusted for (i) certain non-cash items or non-operating items, primarily including (a) depreciation and impairment of owned property, plant and equipment of RMB2,428.5 million, (b) write-down of inventories to net realizable value of RMB308.6 million, (c) finance costs of RMB380.3 million, and (d) depreciation and impairment of right-of-use assets of RMB365.3 million. This was further affected by changes in working capital that negatively affected cash flows, primarily including (a) an increase in trade and bills receivables of RMB1,448.0 million, (b) an increase in inventories of RMB888.4 million, and (c) an increase in prepayments, deposits and other receivables of RMB415.5 million, which were partially offset by changes in working capital that positively affected cash flows, primarily including (a) an increase in trade and bills payables of RMB738.0 million, and (b) an increase in other payables and accruals of RMB570.2 million.

Net cash from operating activities was RMB4,015.1 million in 2024, primarily due to a profit before tax of RMB2,196.4 million, as adjusted for (i) certain non-cash or non-operating items, primarily including (a) depreciation and impairment of owned property, plant and equipment of RMB2,102.6 million, (b) write-down of inventories to net realizable value of RMB586.6 million, and (c) finance costs of RMB304.2 million. This was further affected by changes in working capital that negatively affected cash flows, primarily including (a) an increase in trade and bills receivables of RMB2,771.2 million and (b) an increase in inventories of RMB706.4 million, which were partially offset by changes in working capital that positively affected cash flows, including an increase in trade and bills payables of RMB1,973.0 million.

Net cash from operating activities was RMB5,278.8 million in 2023, primarily due to a profit before tax of RMB2,488.0 million, as adjusted for (i) certain non-cash or non-operating items, primarily including (a) depreciation and impairment of owned property, plant and equipment of RMB2,077.8 million, (b) write-down of inventories to net realizable value of RMB407.1 million, and (c) finance costs of RMB348.7 million; and (ii) changes in working capital that positively affected cash flows, primarily including an increase in trade and bills payables of RMB480.5 million. These were partially offset by changes in working capital that negatively affected cash flows, primarily including an increase in inventories of RMB1,039.8 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was RMB8,199.3 million in 2025, primarily due to payment for the purchase of property, plant and equipment and intangible assets of RMB4,833.1 million and payment of bank wealth management products and time deposits of RMB2,970.5 million.

Net cash used in investing activities was RMB3,716.5 million in 2024, primarily due to payment for the purchase of property, plant and equipment and intangible assets of RMB3,623.1 million.

Net cash used in investing activities was RMB2,144.1 million in 2023, primarily due to payment for the purchase of property, plant and equipment and intangible assets of RMB2,282.0 million, and payment of bank wealth management products and time deposits of RMB1,958.3 million. This was partially offset by receipt of bank wealth management products and time deposits of RMB2,149.3 million.

Net Cash Generated from/(Used in) Financing Activities

Net cash generated from financing activities was RMB3,238.2 million in 2025, primarily due to proceeds from new borrowings of RMB10,433.2 million. This was partially offset by the repayment of borrowings of RMB6,487.8 million.

Net cash generated from financing activities was RMB2,730.8 million in 2024, primarily due to proceeds from new borrowings of RMB6,847.3 million and proceeds from the issuance of bonds payables of RMB2,120.5 million. This was partially offset by the repayment of borrowings of RMB5,308.2 million.

Net cash used in financing activities was RMB2,851.3 million in 2023, primarily due to the repayment of borrowings of RMB8,590.0 million and dividends paid of RMB1,014.1 million. This was partially offset by proceeds from new borrowings of RMB7,847.1 million.

Working Capital

Taking into account the financial resources available to us, including expected net proceeds from this Global Offering, our cash and cash equivalents on hand, unutilized banking facilities, if any, and cash flows generated from operations based on our current production schedules and expansion plans, the Directors believe that we have sufficient working capital required for our operations at present and for at least the next 12 months from the date of this prospectus.

CAPITAL EXPENDITURES

We incur capital expenditures mainly for purchase of property, plant and equipment, intangible assets and other non-current assets. In 2023, 2024 and 2025, our capital expenditures were RMB2,282.0 million, RMB3,623.1 million and RMB4,833.1 million, respectively. We expect to fund our future capital needs mainly by cash generated from our operating activities, bank loans as well as the net proceeds from this Global Offering. See "Future Plans and Use of Proceeds" for more details.

INDEBTEDNESS

The following table sets forth our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current				
Short-term borrowings	3,442,164	3,195,034	9,042,555	8,784,435
Bonds payables	–	499	–	–
Lease liabilities — current portion	217,760	293,626	385,133	453,591
Other current financial liabilities	–	–	–	7,887
Subtotal	**3,659,924**	**3,489,159**	**9,427,688**	**9,245,913**
Non-current				
Interest-bearing borrowings	3,986,350	5,826,760	4,299,483	5,458,220
Bonds payables	–	2,076,017	–	–
Lease liabilities — non-current portion	487,466	503,406	1,116,942	1,193,404
Other non-current financial liabilities	–	–	–	7,041
Subtotal	**4,473,816**	**8,406,183**	**5,416,425**	**6,658,665**
Total	**8,133,740**	**11,895,342**	**14,844,113**	**15,904,578**

Interest-bearing Borrowings

We had total interest-bearing bank borrowings (including current and non-current portions) of RMB7,428.5 million, RMB9,021.8 million, RMB13,342.0 million and RMB14,242.7 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The increase in 2024 was mainly due to an increase in our long-term borrowings, replacing certain higher-interest foreign currency loans with lower-interest RMB-denominated loans to optimize our debt profile. The further increase as of December 31, 2025, was mainly attributable to an increase in short-term borrowings to support our business expansion. This subsequent increase as of April 30, 2026, was primarily driven by an increase in our long-term borrowings in connection with the M&A loans obtained to fund our recent business acquisitions. As of April 30, 2026, we had unutilized banking facilities of RMB26,451.0 million which were committed and unrestricted.

Our bank loans are subject to the fulfillment of covenants relating to certain of our financial position ratios, which are customary for such lending arrangements. Our Directors confirmed that as of December 31, 2023, 2024 and 2025 and April 30, 2026, we were in compliance with all such covenants and did not experience any default in payment of our bank loans or other borrowings.

Bonds Payables

Our bonds payables (including current and non-current portions) were nil, RMB2,076.5 million, nil and nil as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. In November 2024, the Company issued RMB2,137.4 million in six-year convertible bonds. The balance as of December 31, 2024 comprised the non-current liability component of these bonds of RMB2,076.0 million and the current portion representing interest payable within one year of RMB0.5 million. The significant decrease to nil as of December 31, 2025 and April 30, 2026 was primarily due to the conversion of a substantial portion of our convertible bonds into the Company's ordinary shares during the period.

Lease Liabilities

Our lease liabilities (including current and non-current portions) were primarily related to our leases for properties, including offices, manufacturing plants and R&D centers, as well as leasehold land. Our lease liabilities were RMB705.2 million, RMB797.0 million, RMB1,502.1 million and RMB1,647.0 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The increase in 2024 was mainly attributable to additions of new leases for properties to support business expansion, including new manufacturing plants for our Vietnamese subsidiary and expanded facilities in Dongguan and more than offset the lease repayments made during the year. The further increase as of December 31, 2025 and April 30, 2026 was primarily due to the addition of new leases for properties to support our continued business growth.

Other Financial Liabilities

Our other financial liabilities included in indebtedness represent other pledged financing measured at amortized cost arising from our sale and leaseback arrangements in relation to certain machinery leases. Under these arrangements, the legal transfer of the relevant machinery does not satisfy the requirements of IFRS 15 to be accounted for as a sale, and therefore the proceeds received are recognized as financial liabilities. We recorded nil such liabilities as of December 31, 2023, 2024 and 2025. As of April 30, 2026, our other financial liabilities included in indebtedness (including current and non-current portions) amounted to RMB14.9 million.

Indebtedness Statement

Except as discussed above, as of April 30, 2026, being the indebtedness statement date, we did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness that could significantly limit our ability to obtain future financing. During the Track Record Period and up to the Latest Practicable Date, we had not breached any financial covenants or defaulted on the repayment of any borrowings or other debt obligations, nor had we experienced any difficulties in obtaining additional debt or equity financing.

Our Directors confirm that (i) there has not been any material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date, and (ii) during the Track Record Period and up to the date of this prospectus, we did not have any material default on our indebtedness or breach of covenant.

CAPITAL COMMITMENTS

Our capital commitments are primarily related to the purchase of property, plant and equipment in connection with our production expansion and the subsequent acquisition of equity interests. The following table sets forth our capital commitments outstanding but not provided for in our consolidated financial statements as of the dates indicated:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Contracted for			
– Property, plant and equipment	3,082,534	3,686,788	3,364,636
– Subscribed capital contribution	93,704	–	1,397,629
Authorised but not contracted for			
– Property, plant and equipment	717,888	498,691	520,304
– Subscribed capital contribution	–	–	50,000
Total	**3,894,126**	**4,185,479**	**5,332,569**

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities.

KEY FINANCIAL RATIOS

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

	For the year ended/as of December 31,		
	2023	2024	2025
Key financial ratios			
Gross margin (%)(1)	18.7	14.4	15.2
Net profit margin (%)(2)	5.9	4.0	4.5
Adjusted net profit margin (non-IFRS measure) (%)(3)	6.1	4.2	5.1
Current ratio (times)(4)	1.4	1.6	1.2
Quick ratio (times)(5)	1.0	1.2	0.9
Net debt to equity ratio (%)(6)	28.6	29.5	38.6

Notes:

(1) Our gross margin equals gross profit divided by revenue for the same year.

(2) Our net profit margin equals profit for the year divided by revenue for the same year.

(3) Our adjusted net profit margin (non-IFRS measure) equals adjusted net profit (non-IFRS measure) for the year divided by revenue for the same year. Adjusted net profit (non-IFRS measure) is a non-IFRS measure derived from profit for the year by adjusting for share-based compensation expenses. See "— Non-IFRS Measures" for more details and a reconciliation of this measure.

(4) Our current ratio equals current assets divided by current liabilities as of the end of each year.

(5) Our quick ratio equals current assets less inventories divided by current liabilities as of the end of each year.

(6) Our net debt to equity ratio equals total interest-bearing borrowings (including current and non-current portions), lease liabilities (including current and non-current portions) and bonds payables (including current and non-current portions), less the cash and cash equivalents, divided by total equity as of the end of the year.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions, and other fees incurred in connection with the Global Offering. The estimated total listing expenses (based on the Maximum Offer Price and assuming that no additional A Shares are issued under the 2024 Share Option Scheme) for the Global Offering are approximately RMB97.9 million (equivalent to approximately HK$112.6 million), accounting for approximately 1.4% of our gross proceeds from the Global Offering. The estimated total listing expenses consist of (i) underwriting-related expenses (including but not limited to commissions and fees) of approximately RMB59.0 million (approximately HK$67.8 million), and (ii) non-underwriting related expenses of approximately RMB38.9 million (approximately HK$44.7 million), which consist of fees and expenses of legal advisers and Reporting Accountants of approximately RMB24.6 million (approximately HK$28.3 million), and other fees and expenses of approximately RMB14.3 million (approximately HK$16.4 million). Approximately RMB86.2 million (equivalent to approximately HK$99.1 million) of the estimated listing expenses is directly attributable to the issue of new Shares to the public and will be accounted for as a deduction from equity upon completion of the Global Offering. Approximately RMB11.7 million (equivalent to approximately HK$13.5 million) is expected to be charged in profit or loss for the Global Offering, of which RMB1.5 million was charged to our profit or loss during the Track Record Period, and approximately RMB10.2 million is expected to be charged to our profit or loss after the Track Record Period. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The listing expenses above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

DIVIDENDS AND DIVIDEND POLICY

We may distribute dividends in the form of cash, stocks or a combination of both. Any proposed distribution of dividends is subject to the discretion of the Board and the approval of our Shareholders. According to applicable PRC laws and our Articles of Association, we may pay dividends out of our profit after tax only after we have made the (i) recovery of accumulated losses, if any; (ii) allocations to the statutory reserve equivalent to 10% of our Company's profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our Company's registered capital, no further allocations to this statutory reserve will be required; and (iii) allocations, if any, to a discretionary common reserve as approved by our Shareholders in a general meeting.

We have established our dividend policy as prescribed in the Articles of Association. Under the premise of complying with profit distribution principles, ensuring the Company's normal operations and long-term development, and when conditions for cash dividend distribution are met, the annual cash dividends distributed shall account for no less than 10% of our Company's distributable profits realized in that year. Moreover, over any consecutive three-year period, the accumulated profits distributed in cash shall be no less than 30% of our average annual distributable profits realized during those three years. Furthermore, based on our development stage and significant capital expenditure arrangements, the proportion of cash dividends in a particular profit distribution shall be 80%, 40% or 20%. Save as prescribed in the Articles of Association, we do not set any other pre-determined dividend payout ratio target.

During the Track Record Period, we have declared dividends. In 2023, a dividend of RMB1,017.1 million was declared by the Company to its equity shareholders, of which RMB1,011.7 million was paid in the same year. In 2024, a dividend of RMB209.7 million was declared by the Company to its equity shareholders, of which RMB208.8 million was paid in the same year. In 2025, a dividend of RMB285.5 million was declared by the Company to its equity shareholders, of which RMB285.5 million was paid in the same year. Subsequent to the end of the Track Record Period and up to the Latest Practicable Date, a dividend of RMB145.5 million was declared by our Company to its equity shareholders, which was fully paid on May 19, 2026.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had retained earnings of RMB6,302.0 million, which represent the reserves available for distribution to shareholders of the Company as of the same date.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we have entered into a number of related party transactions, which primarily consisted of the purchase and sale of goods, provision and receipt of services, and leasing of properties with our associates and other related parties. The Directors believe that each of the related party transactions set out in Note 35 to the Accountants' Report set out in Appendix I to this prospectus was carried out in the ordinary course of business on an arm's-length basis. The Directors are of the view that these related party transactions did not cause any distortion of our results of operations or make our historical results not reflective of our performance during the

Track Record Period. During the Track Record Period, certain of our bank loans and issued bonds were guaranteed by related parties. All such guarantees had been fully released. As of the Latest Practicable Date, we had no such guarantees outstanding. See Note 35 to the Accountants' Report set out in Appendix I to this prospectus for more details on our related party transactions, balances and arrangements.

TRANSFER PRICING ARRANGEMENTS

During the Track Record Period, we operated globally with subsidiaries in various jurisdictions including the PRC, Hong Kong, Singapore, India, Vietnam, Finland, France, Turkey, the United States, and Brazil. In the ordinary course of our business, we engaged in material intra-group transactions to facilitate our global operations and supply chain. In preparation for the Listing, we have engaged an independent Transfer Pricing Consultant to conduct a transfer pricing review and benchmarking studies on our material international intra-group transactions during the Track Record Period. During the Track Record Period, we had entered into the following main intra-group transactions (the "Covered Transactions") among the group operating entities (the "Covered Entities"):

- **Transactions of Tangible Goods**. Our manufacturing entities (primarily in the PRC, India and Vietnam) purchase raw materials and sell semi-finished or finished products to our trading entities (primarily in Hong Kong and Singapore) for onward sale to third-party customers or other group entities.

- **Provision of Services**. Certain subsidiaries provide intra-group services to support our global network, including research and development, marketing support, etc., tailored to the specific needs of the recipient entities.

- **Financing Arrangements**. We engage in cross-border financing arrangements to manage our group-wide liquidity, which include inter-company loans and cash pooling arrangements managed by our central treasury function to optimize fund allocation among subsidiaries.

- **Intangible Assets Licensing**. Certain entities within our Group license operational rights, proprietary technologies, or intellectual property to other group entities in exchange for royalty payments.

The Organization for Economic Co-Operation and Development (the "OECD") promulgated the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (the "OECD Transfer Pricing Guidelines"), which generally require intra-group transactions to be conducted on an arm's length basis. During the review process, the Transfer Pricing Consultant interviewed our Group's management to understand our operations and pricing policies, reviewed the transfer pricing documentation and financial information, and conducted a functional and risk analysis followed by benchmarking analyses by using a third-party information database. When conducting the benchmarking analyses, different applicable qualitative and quantitative searching criteria were used to come up with several sets of comparable companies/agreements.

Corresponding benchmarking analyses were performed by selecting appropriate transfer pricing methods based on the functional and risk profiles of the entities involved in the Covered Transactions. The Transactional Net Margin Method ("TNMM") was adopted for the majority of our buy-sell transactions and service transactions, where appropriate profit level indicators, such as Net Cost Plus Margin for manufacturing entities and Operating Margin or Berry Ratio for trading entities, were selected to assess profitability against comparable independent companies. Additionally, the Comparable Uncontrolled Price ("CUP") Method was adopted for specific transactions where reliable comparable data was available, including certain sourcing transactions involving our Indian subsidiaries, intra-group loans, and royalty arrangements.

Upon completion of the benchmarking analyses, it was noted that the profit margins of some companies during certain years of the Track Record Period were either higher or lower than the benchmarking results. According to the findings identified by the Transfer Pricing Consultant based on the adopted TNMM and CUP, we have made transfer pricing assessment on those entities to ensure our intra-group transactions align with the arm's length principle. Specifically, the Indian entities recorded profit levels below the benchmarking results of comparable companies during certain years of the Track Record Period. In accordance with local transfer pricing regulations and practices, these Indian entities maintained sufficient significant tax losses carried forward from prior periods to offset potential tax adjustments. Therefore, considering the availability of these carryforward tax losses of the Indian entities, it could be concluded that the potential tax exposures with respect to the Covered Transactions are not material from our Group's financial aspects.

Balancing all the facts and in light of the foregoing, and having consulted the Transfer Pricing Consultant, our Directors are of the view that our transfer pricing arrangements in relation to the Covered Transactions were consistent and in compliance with OECD Transfer Pricing Guidelines and the transfer pricing regulations of the jurisdictions where the Covered Entities are located during the Track Record Period in all material respects.

We have adopted and will continue to adopt comprehensive measures to ensure continuous compliance with the OECD Transfer Pricing Guidelines and the relevant transfer pricing laws and regulations in the PRC and other jurisdictions where we operate. We maintain a policy of engaging external tax consultants annually to review our transfer pricing policies, benchmark our inter-company transactions, and advise on statutory documentation requirements to ensure our filings are accurate and timely. Our management team, including our Directors and chief financial officer, actively monitors material inter-company transactions and reviews our transfer pricing policies on a regular basis to ensure they remain aligned with the evolving functional and risk profiles of our entities and are carried out at arm's length. Furthermore, we are committed to providing regular training for our senior management and finance personnel regarding updates in global transfer pricing laws and regulations to ensure that our budgeting, pricing mechanisms, and internal controls are proactively adjusted to address any regulatory changes.

QUANTITATIVE AND QUALITATIVE ANALYSIS OF MARKET RISKS

Our activities expose us to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk. See Note 33 to the Accountants' Report set out in Appendix I to this prospectus for more details regarding our financial risk management objectives and policies.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For our unaudited pro forma statement of adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules for illustrating the effect of our Global Offering on the consolidated net tangible assets attributable to the owners of the Company as of December 31, 2025, as if the Global Offering were completed on December 31, 2025, see Appendix II to this prospectus for more details.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Acquisitions

See "Summary — Recent Developments and No Material Adverse Change — Acquisitions" for more details.

Unaudited Financial Information for the Three Months Ended March 31, 2026

See "Summary — Recent Developments and No Material Adverse Change — Unaudited Financial Information for the Three Months Ended March 31, 2026" for more details.

No Material Adverse Change

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements as set out in the Accountants' Report in Appendix I to this prospectus, and up to the date of this prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of Chapter 13 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" for more details on the description of our future business plans and strategies.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$8,151.7 million, after deducting estimated underwriting commissions, fees and expenses payable by us in connection with the Global Offering, assuming no additional A Shares are issued under the 2024 Share Option Scheme, and at an Offer Price of HK$10.18 per Offer Share (being the maximum Offer Price stated in the Prospectus).

In line with our strategies, we intend to use the net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately 37.6% of the net proceeds, or HK$3,065.0 million, is expected to be used to further enhance our production capacity through equipment investment and upgrade core manufacturing processes. This strategic investment is essential for us to capitalize on emerging market opportunities, accelerate market share growth and solidify our leading position within the industry. In particular,

  (i) approximately 21.0% of the net proceeds, or HK$1,711.9 million, will be allocated to enhance our manufacturing capabilities in emerging markets, including high-density AI computing servers, humanoid robot hardware and assembly, and AI optical communication infrastructure, over a three-year period from 2026 to 2028. With technology leaders accelerating investment in high-density AI computing servers, we plan to expand our capacity for AI server power supplies, a mission-critical element of data-center infrastructure. We aim to deliver next-generation systems with high power density, strong conversion efficiency and fast dynamic-load response, positioning us to capture demand driven by rapid growth in global AI computation. Rising AI workloads are also driving the need for advanced thermal management, and we will scale our thermal management product lines, including ultra-thin and structurally-optimized VCs, to meet the stringent cooling requirements of hyperscale deployments.

  Specifically, we plan to:

  (a) allocate approximately 15.0% of the net proceeds, or HK$1,222.8 million, to invest in the procurement of production lines for enterprise server power-related components and thermal management components, robot assembly lines, and high-precision machining lines for structural parts, to support higher power density, tighter tolerances and improved production efficiency; and

  (b) allocate approximately 6.0% of the net proceeds, or HK$489.1 million, to retain and recruit manufacturing personnel to support capacity expansion and system-level integration.

  (ii) approximately 16.6% of the net proceeds, or HK$1,353.2 million, will be allocated to enhance our manufacturing capabilities in existing markets, including electronic devices, automotive and advanced air mobility, over a three-year period from 2026 to 2028. In embodied AI, we intend to strengthen our role as a trusted intelligent manufacturing partner for electronic devices by expanding vertically-integrated capabilities in high-precision component fabrication, system-level assembly and comprehensive performance testing. Enhanced capacity will support rapid the roll-out of products and solutions for handling, assembly and other core application scenarios, addressing downstream demand and advancing the industrialization of humanoid robots.

Specifically, we plan to:

(a) allocate approximately 13.8% of the net proceeds, or HK$1,124.9 million, to acquire advanced automation equipment and production lines, including production lines for high-precision structural parts, thermal management components and lightweight composite materials, to support higher functional integration, lower power consumption and evolving customer requirements; and

(b) allocate approximately 2.8% of the net proceeds, or HK$228.2 million, to retain and recruit manufacturing personnel to support capacity expansion.

- Approximately 11.9% of the net proceeds, or HK$970.1 million, will be allocated to further strengthen our core R&D capabilities and technological innovation infrastructure. Specifically, we plan to:

(i) allocate approximately 10.4% of the net proceeds, or HK$847.8 million, to retain, recruit and support dedicated R&D personnel, engineering specialists and technical experts to drive ongoing product upgrades, advanced hardware development and system-level solution innovations over the next three years; and

(ii) allocate approximately 1.5% of the net proceeds, or HK$122.3 million, to upgrade our R&D systems to enhance data-driven product design, testing and iteration capabilities.

- Approximately 30.0% of the net proceeds, or HK$2,445.5 million, will be used for strategic investments and acquisitions that support the integration of industry resources. Our established M&A capability is a core competitive strength and an important driver of long-term growth. We plan to pursue acquisition opportunities in high-growth technology verticals that align with our business and offer meaningful scalability, including servers, humanoid robotics and AI optical communication infrastructure. In selecting potential targets, we apply a structured evaluation process, taking into consideration (i) strategic alignment with our core manufacturing capabilities, technology roadmap and development priorities; (ii) the long-term growth prospects and competitive dynamics of the relevant industry, as well as the target's technological differentiation, critical resources or specialized capabilities; and (iii) the target's financial profile and valuation discipline, with priority given to businesses with sound fundamentals or, for earlier-stage companies, clear technology advantages and identifiable paths to commercialization, and assessing each transaction to avoid adverse impacts on our financial position and ongoing operations. According to Frost & Sullivan, there are over 500 companies globally across the relevant technology segments, from which potential acquisition targets may be identified. These value-accretive investments aim to further enhance our R&D capabilities, sharpen our product competitiveness and unlock economies of scale, strengthening the resilience of our operations and building a strong position in emerging sectors. As of the Latest Practicable Date, we have not negotiated with any specific acquisition targets nor identified any such targets that would involve the use of the net proceeds from the Global Offering.

- Approximately 10.5% of the net proceeds, or HK$855.9 million, is expected to be used to scale our manufacturing infrastructure within and outside Chinese Mainland. We plan to construct and expand existing manufacturing plants and establish key auxiliary infrastructure and site utilities to strengthen capacity and operational readiness. In parallel, we intend to advance the digital transformation of our manufacturing network through the purchase, deployment and integration of intelligent manufacturing-management systems designed to enhance real-time data acquisition, predictive analytics and smart operational decision-making. These upgrades will refine our AI-enabled production workflow and support higher requirements for volume, quality control and delivery speed, reinforcing our standing as a trusted global high-precision intelligent manufacturing platform for electronic devices.

- Approximately 10.0% of the net proceeds, or HK$815.2 million, will be allocated to working capital and general corporate purposes.

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash available on hand, bank loans, and other borrowings.

If the net proceeds of the Global Offering are not immediately used for the purposes described above, to the extent permitted by the relevant laws and regulations, we will only deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance ("SFO") or applicable laws and regulations in other jurisdictions, as long as it is deemed to be in the best interests of the Company. We will comply with all disclosure requirements under the Listing Rules if there is any change to the above proposed use of proceeds.

HONG KONG UNDERWRITERS

Guotai Junan Securities (Hong Kong) Limited
CLSA Limited
J.P. Morgan Securities (Asia Pacific) Limited
Citigroup Global Markets Asia Limited
(The followings are in alphabetical order)
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.

The Global Offering comprises the Hong Kong Public Offering of initially 81,181,320 Hong Kong Offer Shares and the International Offering of initially 730,630,560 International Offering Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this Prospectus.

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

We have entered into the Hong Kong Underwriting Agreement with, among others, the Hong Kong Underwriters on June 16, 2026. Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn, revoked, withheld or subject to qualifications (except for customary conditions imposed by the Stock Exchange in relation to the Listing) prior to the commencement of trading of the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled, in their absolute discretion and by giving notice to the Company, to terminate the Hong Kong Underwriting Agreement with immediate effect:

(i) there develops, occurs, exists or comes into effect:

(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, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, India, Finland, 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 (i) the trading in shares or securities generally on the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter 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 Sole Sponsor and 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 Hong Kong Stock Exchange and/or the SFC; or

(g) the commencement by any Authority (as defined in the Hong Kong Underwriting Agreement) or other regulatory or political body or organization of any public action or investigation against any member of the Group or a director or a senior management member of any member of the Group or announcing an intention to take any such action; or

(h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company or any of the Controlling Shareholders 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 this Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings 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 the Controlling Shareholders or any Director or senior management members as named in this 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 in, or a materialization of, any of the risks set out in the section headed "Risk Factors" of this Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Overall Coordinator (for themselves and on behalf of the Hong Kong Underwriters) (A) has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole; or (B) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or (C) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement, including this Prospectus); or (D) has or will or may 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,

(ii) there has come to the notice of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:

(a) any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) and/or any notices, announcements, advertisements, communications or other documents in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "**Global Offering Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any 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 this Prospectus, constitute a material omission or misstatement in any Global Offering 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 or the Controlling Shareholders 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 (as defined in the Hong Kong Underwriting Agreement) 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 of the Controlling Shareholders or any Cornerstone Investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or

(f) any Material Adverse Change (as defined in the Hong Kong Underwriting Agreement); or

(g) that the Chairman of the Board, any Director or any member of senior management of the Company named in this Prospectus seeks to retire, or is removed from office or vacating his/her office; or

(h) any Director or any member of senior management of the Company named in this Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(i) the Company withdraws this Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(j) 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 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

(k) any person (other than any of the Sole Sponsor and the Overall Coordinators) has withdrawn its consent to the issue of the Hong Kong Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and/or references to its name included in the form and context in which it respectively appears; or

(l) 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

(m) an order or petition is presented for the winding-up or liquidation of the Company or any of its principal members of the Group as disclosed in the Hong Kong Prospectus (the "**Principal Subsidiaries**", each a "**Principal Subsidiary**"), or the Company or any Principal 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 any Principal Subsidiary or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Company or any Principal Subsidiary or anything analogous thereto occurs in respect of the Company or any Principal Subsidiary, as the case may be; or

(n) (A) the notice of acceptance of the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) 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 Sole Sponsor and the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) pursuant to the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) with the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or (D) any non-compliance of other applicable Laws (as defined in the Hong Kong Underwriting Agreement) in any material respect; or

(o) 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,

then, in each case, the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) 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 issue any further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) or enter into any agreement to such 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 pursuant to the Global Offering, or for the circumstances permitted under Rule 10.08 of the Listing Rules.

(B) Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, the Controlling Shareholders have undertaken to the Stock Exchange and the Company that, they 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 its shareholdings in the Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "First Six-Month Period"), either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of the Company in respect of which it is shown by this prospectus to be the beneficial owner; 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, they would cease to be Controlling Shareholders (as defined under the Listing Rules).

Note 2 to Rule 10.07(2) of the Listing Rules provides that the foregoing shall not prevent the Controlling Shareholders from using securities of the Company beneficially owned by it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of its shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will:

(i) when it pledges or charges any securities of the Company beneficially owned by it in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07 of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of securities so pledged or charged; and

(ii) when it receives indications, either verbal or written, from the pledgee or chargee of any securities of the Company that any of the pledged or charged securities will be disposed of, immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (i) and (ii) above by the Controlling Shareholders 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

(A) Undertakings by the Company

Except for the issue, offer and sale of the Offer Shares pursuant to the Global Offering or otherwise in compliance with the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"), the Company has undertaken to each of the Sole Sponsor, the Sole Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries not to, without the prior written consent of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) 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 any H Shares or other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares, as applicable), or deposit any H Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares, as applicable); or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above.

In each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of H Shares, as applicable, or in cash or otherwise (whether or not the issue of such H Shares or other shares or securities will be completed within the First Six-Month Period).

In the event that, 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 enters into any of the transactions specified in paragraphs (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company. Each of the Controlling Shareholders has undertaken to each of the Sole Sponsor, the Sole Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Manager, the Joint Bookrunner, the Capital Market Intermediaries and the Hong Kong Underwriters to procure the Company to comply with the undertakings above. Notwithstanding the forgoing, the restrictions above shall not prevent the Company from (i) issue of Shares as allowed under the exceptions set out in notes to Rule 10.08 of the Listing Rules; (ii) repurchase of Shares for the purpose of employee incentive purpose in compliance with the Listing Rules and applicable Laws; and (iii) any issue of debt securities by the Company which are not convertible into equity securities of the Company or any member of the Group.

(B) Undertakings by the Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of the Controlling Shareholders jointly and severally undertakes to each of the Company, the Sole Sponsor, the Sole Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, except pursuant to the Global Offering or permitted by Note 2 and 3 to Rule 10.07 of the Listing Rules, without the prior written consent of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) she/it will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for her/it and the companies controlled by her/it will not, at any time during the First Six-Month Period, (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any legal or beneficial interest therein (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 any such other securities, as applicable or any interest in any of the foregoing (the "**Locked-up Securities**")), or deposit any H Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Locked-up Securities, or (iii) enter into any transaction with the same economic effect as any transaction specified in paragraph (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in paragraph (i), (ii) or (iii) above, in each case, whether any of the transactions specified in paragraph (i), (ii) or (iii) above is to be settled by delivery of H Shares or other securities of the Company or in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-Month Period or the Second Six Month Period);

(b) she/it will not, during the Second Six Month Period, enter into any of the transactions specified in paragraph (i), (ii) or (iii) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance (as defined in the Hong Kong Underwriting Agreement) pursuant to such transaction, she/it will cease to be the de facto controller of the Company; and

(c) until the expiry of the Second Six-Month Period, in the event that she/it enters into any of the transactions specified in paragraph (i), (ii) or (iii) above or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, she/it will take all reasonable steps to ensure that she/it will not create a disorderly or false market in the securities of the Company.

The restrictions above shall not prevent each of the Controlling Shareholders from (i) purchasing additional H Shares or other securities of the Company and disposing of such additional H Shares or securities of the Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the lock-up arrangements with each of the Controlling Shareholders referred to above or the compliance by the Company with the Minimum Public Float Requirement (as defined in the Hong Kong Underwriting Agreement), (ii) using the H Shares or other securities of the Company or any interest therein beneficially owned by her/it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, provided that (a) each of the Controlling Shareholders will inform the Company and the Overall Coordinators in writing, as soon as practicable, of such pledge or charge together with the number of H Shares or other securities of the Company so pledged or charged if and when she/it or the relevant registered holder(s) pledges or charges any H Shares or other securities of the Company beneficially owned by her/it, and (b) when any of the Controlling Shareholders receives indications, either verbal or written, from the pledgee or chargee of any H Shares that any of the pledged or charged H Shares or other securities of the Company will be disposed of, she/it will inform, as soon as practicable, the Company and the Overall Coordinators of such indications.

The Company undertakes to the Sole Sponsor, the Sole Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from any of the Controlling Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules and/or any other applicable Law (as defined in the Hong Kong Underwriting Agreement), notify the Stock Exchange and/or other relevant Authorities (as defined in the Hong Kong Underwriting Agreement), and make a public disclosure in relation to such information by way of an announcement.

Hong Kong Underwriters' interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, save as disclosed in this Prospectus, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offering Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering" in this Prospectus.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 0.5% of the aggregate Offer Price of all the Offer Shares (the "Gross Proceeds"), out of which they will pay any sub-underwriting commissions and other fees. In addition, the Company may, at its sole discretion, pay to any one or more of the Underwriters and the Capital Market Intermediaries a discretionary incentive fee of an aggregate of up to 0.3% of the Gross Proceeds. The ratio of the fixed fees and discretionary fees payable to the Underwriters in connection with the Global Offering is approximately 45.31%:54.69% (on the basis that the discretionary fees will be fully paid).

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, and such commission will be paid to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$112.6 million (assuming an Offer Price of HK$10.18 per Offer Share).

Sponsor's Fees

The sponsor's fees payable to the Sole Sponsor is HK$1,000,000 in aggregate.

Sponsor's Independence

The Sole Sponsor satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

Indemnity

The Company has agreed to indemnify the Sole Sponsor, the Sole Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "Syndicate Members") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting 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 Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have their underlying assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the 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 Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the 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:

(a) the Syndicate Members or their respective affiliates 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

(b) 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 each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares issued as mentioned in this Prospectus.

811,811,880 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 81,181,320 H Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" in this section below; and

(b) the International Offering of initially 730,630,560 H Shares (subject to reallocation) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed "— The International Offering" in this section below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offering Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 10% of the total Shares in issue immediately following the completion of the Global Offering, assuming no new Shares are issued under the 2024 Share Option Scheme.

References in this Prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 81,181,320 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 1% of the total Shares in issue immediately following the completion of the Global Offering (assuming no new Shares are issued under the 2024 Share Option Scheme).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— Conditions of the Global Offering" in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B (with any odd lots being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 40,590,660 Hong Kong Offer Shares (being approximately 50% of the 81,181,320 Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinator. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinator may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinator will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as it deems appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinator deem 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 40,590,000 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 121,771,320 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide 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.

However, if neither the Hong Kong Public Offering nor the International Offering is fully subscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers to subscribe for 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 be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offering Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$10.18 per Offer Share in addition to the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$6,786.56 for one board lot of 660 Shares. 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 Offer Shares initially offered

The International Offering will consist of an offering of initially 730,630,560 Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 9% of the total Shares in issue immediately following the completion of the Global Offering (assuming no new Shares are issued under the 2024 Share Option Scheme).

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 that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing of the Global Offering" in this section 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. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinator (on behalf of the International Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinator 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 allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in "— The Hong Kong Public Offering — Reallocation" and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

PRICING OF THE GLOBAL OFFERING

Determining the Offer Price

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 around, the last day for lodging applications under the Hong Kong Public Offering. Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be agreed on the Price Determination Date, which is expected to be on or before Wednesday, June 24, 2026, by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter. We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at https://www.szse.cn/English/siteMarketData/siteMarketDatas/lookup/index.html?code=002600), and the Offer Price will not be more than HK$10.18. The historical prices of our A Shares and trading volume on Shenzhen Stock Exchange are set out below.

Period	High	Low	ADTV(1)
	(RMB)	*(RMB)*	*(A Shares)*
Year ended December 31, 2023	7.34	4.51	62,074,556
Year ended December 31, 2024	9.95	4.26	189,779,973
Year ended December 31, 2025	18.22	6.16	219,786,484
Year of 2026 (up to the Latest Practicable Date)	18.83	12.29	172,463,067

Note:

(1) Average daily trading volume ("ADTV") represents daily average number of the A Shares of the Company traded over the relevant period.

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 "How to Apply for Hong Kong Offer Shares — Publication of Results."

Price Payable on Application

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$10.18 per each Hong Kong Offer Share (plus 1% brokerage, 0.0027% SFC transaction levy, 0.00565% Stock Exchange trading fee and 0.00015% AFRC transaction levy). If the Offer Price is less than HK$10.18, appropriate refund payments (including the brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies, without any interest) will be made to successful applicants (subject to application channels).

If, for any reason, our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) is unable to reach agreement on the Offer Price by 12:00 noon on Wednesday, June 24, 2026, the Global Offering will not proceed and will lapse.

Reduction in Number of Offer Shares

The Overall Coordinators (for themselves and on behalf of the Underwriters) 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 consent of our Company, reduce the number of Offer Shares below that stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, 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, cause to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and the Company at **www.lingyiitech.com**, notices of the reduction, the cancellation of the Global Offering and the relaunch of the Global Offering at the revised number of Offer Shares. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in the Prospectus and any other financial information which may change materially as a result of such reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental Prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering. The Global Offering must first be cancelled and subsequently relaunched on FINI pursuant to the supplemental Prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced, if agreed upon by the Overall Coordinators, for themselves and on behalf of the Underwriters, and our Company.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators (for themselves and on behalf of the Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators (for themselves and on behalf of the Underwriters).

Announcement of Offer Price and Basis of Allocations

The final Offer Price, the level of indications of interest in the Global Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Thursday, June 25, 2026 on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **www.lingyiitech.com**.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this Prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on, among other things:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the commencement of trading of the H Shares on the Stock Exchange;

(b) the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements or otherwise, 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).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the websites of the Company and the Stock Exchange at **www.lingyiitech.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — 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).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Friday, June 26, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, June 26, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, June 26, 2026.

The H Shares will be traded in board lots of 660 Shares each and the stock code of the H Shares will be 1688.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG PUBLIC OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offer 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 our website at www.lingyiitech.com.

The contents of this Prospectus are identical to the Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

APPLICATION FOR HONG KONG OFFER SHARES

Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the **White Form eIPO** 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:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates.

Application Channels

The Hong Kong Public Offer period will begin at 9:00 a.m. on Wednesday, June 17, 2026 and end at 12:00 noon on Tuesday, June 23, 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
White Form eIPO service	**www.eipo.com.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, June 17, 2026 to 11:30 a.m. on Tuesday, June 23, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, June 23, 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 an 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 **White Form eIPO** 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 **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** 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 **White Form eIPO** 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 **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** 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 Offer.

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.

Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority:	• Identity document type, with order of priority:
i. HKID card; or	i. LEI registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport; and	iii. Business registration certificate; or
• Identity document number	iv. Other equivalent document; and
	• Identity document number

Notes:

1. If you are applying through the **White Form eIPO** 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:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agents, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	660 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$10.18 per H Share. If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for. By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, 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 **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
660	6,786.56	13,200	135,731.18	198,000	2,035,967.72	2,640,000	27,146,236.39
1,320	13,573.12	19,800	203,596.77	264,000	2,714,623.63	3,300,000	33,932,795.49
1,980	20,359.67	26,400	271,462.36	330,000	3,393,279.55	6,600,000	67,865,590.98
2,640	27,146.24	33,000	339,327.95	396,000	4,071,935.46	9,900,000	101,798,386.46
3,300	33,932.80	39,600	407,193.54	462,000	4,750,591.37	13,200,000	135,731,181.95
3,960	40,719.36	46,200	475,059.14	528,000	5,429,247.28	16,500,000	169,663,977.46
4,620	47,505.92	52,800	542,924.73	594,000	6,107,903.19	19,800,000	203,596,772.95
5,280	54,292.47	59,400	610,790.33	660,000	6,786,559.10	26,400,000	271,462,363.92
5,940	61,079.03	66,000	678,655.91	1,320,000	13,573,118.20	33,000,000	339,327,954.90
6,600	67,865.59	132,000	1,357,311.82	1,980,000	20,359,677.29	40,590,660(1)	417,380,171.09

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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. Application 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 **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** 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 our 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 **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of H Shares set out in this Prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this Prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[1], 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;

1 Relevant Persons would include the Sole Sponsor, the Sole Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

(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 we 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 Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) represent, warrant and undertake that the Offer Shares have not been and will not be registered under the U.S. Securities Act and you and any person for whose benefit you are applying for the Offer Shares are located outside the United States at the time the offer for such Offer Shares was made and when the buy order for such Offer Shares was originated and have not purchased such Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Offer Shares or any economic interest therein to any person in the United States;

(xvi) confirm that you understand that we and the Overall Coordinator will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvii) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xviii) 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;

(xix) (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 service or by any one as your agent or by any other person; and

(xx) (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 Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

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 **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment)** with a "search by ID" function.	24 hours, from 11:00 p.m. on Thursday, June 25, 2026 to 12:00 midnight on Wednesday, July 1, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.lingyiitech.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).
Telephone allocation .	+852 2862 8555 — the results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., on Friday, June 26, 2026, Monday, June 29, 2026, Tuesday, June 30, 2026 and Thursday, July 2, 2026 (Hong Kong time)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect 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 our website at **www.lingyiitech.com** by no later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).

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 we or our agents exercise our discretion to reject your application:

We, 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:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "*— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited*" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinator believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H 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 Public 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 H 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.

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 H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, June 26, 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:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate[2]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person at from H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.
	Time: from 9:00 a.m. to 1:00 p.m. on Friday, June 26, 2026 (Hong Kong time).	No action by you is required.

2 Except in the event of any Bad Weather Signals (as defined below) in force in Hong Kong in the morning on Thursday, June 25, 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. Bad Weather Arrangements*" in this section.

	White Form eIPO service	HKSCC EIPO channel
	If you are an individual, you must not authorize any other person 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 acceptable to the H Share Registrar. *Note:* If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For application of less than 1,000,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
	Date: Thursday, June 25, 2026	

Refund mechanism for surplus application monies paid by you

Date	Friday, June 26, 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	**White Form** e-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	

BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, June 23, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, "Bad Weather Signals"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 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 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 our website at **www.lingyiitech.com** of the revised timetable.

If a Bad Weather Signal is hoisted on Thursday, June 25, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Friday, June 26, 2026.

If a Bad Weather Signal is hoisted on Thursday, June 25, 2026, for the physical share certificates of less than 1,000,000 H Shares issued under your name, the despatch of physical H Share certificates will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or canceled (*e.g.* in the afternoon of Thursday, June 25, 2026 or on Friday, June 26, 2026).

If a Bad Weather Signal is hoisted on Friday, June 26, 2026, for the physical share certificates of 1,000,000 Offer Shares or more issued under your name, the physical H Share certificates will be available for collection in person at the H Share Registrar's office after the Bad Weather Signal is lowered or canceled (*e.g.* in the afternoon of Friday, June 26, 2026 or on Monday, June 29, 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.

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 we comply 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.

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 agree to all of the terms of the Personal Information Collection Statement below.

Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Public 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).

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.

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 **White Form** e-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 H 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 H Shares and identifying any duplicate applications for the Shares;

f. facilitating Hong Kong Offer Shares balloting;

g. establishing benefit entitlements of holders of the H 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 H 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 H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

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 advisers, receiving bank and overseas principal share registrar;

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.

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).

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, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LINGYI ITECH (GUANGDONG) COMPANY AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Lingyi iTech (Guangdong) Company (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-99, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of profit or loss, consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years 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-99 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated June 17, 2026 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in note 1.2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in note 1.2 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 of the Company, 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 purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at December 31, 2023, 2024 and 2025, the Company's financial position as at December 31, 2023, 2024 and 2025, and of the consolidated financial performance and consolidated cash flows of the Group for the years ended December 31, 2023, 2024 and 2025 in accordance with the basis of presentation and preparation set out in note 1.2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") 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 31(b) to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
KWAN, Shui Cheung, Esmond
Practising Certificate Number: P05371
Hong Kong
June 17, 2026

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board ("IASB") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by IAASB ("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

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	34,154,017	44,259,533	51,428,944
Cost of sales		(27,760,492)	(37,866,441)	(43,610,537)
Gross profit	*5*	6,393,525	6,393,092	7,818,407
Other income and other gains, net	*6*	207,045	374,885	349,425
Selling and distribution expenses		(334,970)	(367,601)	(398,581)
Administrative and other operating expenses		(1,623,500)	(1,652,896)	(2,137,430)
Research and development expenses	*7(c)*	(1,815,664)	(1,990,452)	(2,381,587)
Provision for impairment losses on non-current assets	*7(c)*	(300,340)	(177,570)	(198,222)
Reversal of/(provision for) impairment losses on financial assets	*7(c)*	215,437	(48,712)	1,052
Operating profit		2,741,533	2,530,746	3,053,064
Finance costs	*7(a)*	(348,707)	(304,163)	(380,264)
Share of results of associates and joint ventures	*16*	95,216	(30,208)	60,577
Profit before taxation		2,488,042	2,196,375	2,733,377
Income tax	*8(a)*	(474,143)	(435,642)	(406,552)
Profit for the year		2,013,899	1,760,733	2,326,825
Profit/(loss) for the year attributable to:				
Owners of the Company		2,023,500	1,755,226	2,287,724
Non-controlling interests ("NCI")		(9,601)	5,507	39,101
		2,013,899	1,760,733	2,326,825
Earnings per share	*12*			
Basic (RMB)		0.29	0.25	0.33
Diluted (RMB)		0.29	0.25	0.32

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of comprehensive income

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year		2,013,899	1,760,733	2,326,825
Other comprehensive income/(loss) for the year, net of tax	*11*			
Items that will be reclassified subsequently to profit or loss:				
– Other comprehensive income/(loss) from associates under equity method		497	(829)	(16,223)
– Exchange differences on translation of financial information of foreign operations		(19,609)	(108,353)	(80,398)
Item that may not be reclassified subsequently to profit or loss:				
– Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		(33,089)	(32)	(5,538)
– Remeasurements of the net defined benefit obligation		–	–	(10,545)
Total comprehensive income for the year		1,961,698	1,651,519	2,214,121
Total comprehensive income/(loss) for the year attributable to:				
Owners of the Company		1,971,299	1,646,012	2,175,058
Non-controlling interests		(9,601)	5,507	39,063
Total comprehensive income for the year		1,961,698	1,651,519	2,214,121

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of financial position

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Investment properties	*13*	47,690	278,089	275,232
Property, plant and equipment	*13*	13,624,409	15,199,562	20,337,446
Intangible assets	*14*	260,672	163,171	144,781
Goodwill	*15*	1,302,622	1,173,941	2,703,669
Interests in associates and joint ventures	*16*	525,188	569,275	796,951
Prepayments	*21*	525,510	331,397	334,150
Other non-current financial assets	*18*	301,402	277,828	103,452
Deferred tax assets	*30(b)*	630,109	676,936	732,460
Time deposits	*23*	824,556	977,456	1,190,064
		18,042,158	19,647,655	26,618,205
Current assets				
Inventories	*20*	5,736,087	5,859,234	7,189,891
Contract assets		–	–	80
Trade and other receivables	*21*	10,231,407	12,824,939	15,829,762
Other current financial assets	*19*	313,288	255,477	1,932,780
Tax recoverable	*30(a)*	22,840	32,772	66,379
Restricted bank deposits	*22*	120,257	534,429	735,617
Cash and cash equivalents	*22*	2,901,134	6,038,980	5,447,511
Time deposits	*23*	–	–	80,225
		19,325,013	25,545,831	31,282,245
Current liabilities				
Short-term borrowings	*25*	3,442,164	3,195,034	9,042,555
Trade and other payables	*24*	9,600,285	11,938,675	16,366,558
Contract liabilities	*24*	17,478	26,435	92,664
Lease liabilities – current-portion	*27*	217,760	293,626	385,133
Current taxation	*30(a)*	169,029	213,732	373,597
Bonds payables	*26*	–	499	–
Other current financial liabilities	*29*	–	130,183	224,006
		13,446,716	15,798,184	26,484,513
Net current assets		5,878,297	9,747,647	4,797,732
Total assets less current liabilities		23,920,455	29,395,302	31,415,937

	Note	As at December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current liabilities				
Interest-bearing borrowings	*25*	3,986,350	5,826,760	4,299,483
Other non-current payables	*24*	776,527	753,237	755,926
Bonds payables	*26*	–	2,076,017	–
Lease liabilities – non-current portion	*27*	487,466	503,406	1,116,942
Other non-current financial liabilities	*29*	–	–	544,762
Deferred tax liabilities	*30(b)*	389,419	386,901	340,876
		5,639,762	9,546,321	7,057,989
NET ASSETS		18,280,693	19,848,981	24,357,948
CAPITAL AND RESERVES				
Share capital	*31(c(i))*	1,756,179	1,756,179	1,830,829
Reserves		16,471,587	18,030,156	22,209,313
Total equity attributable to equity shareholders of the Company		18,227,766	19,786,335	24,040,142
Non-controlling interests		52,927	62,646	317,806
TOTAL EQUITY		18,280,693	19,848,981	24,357,948

The accompanying notes form part of the Historical Financial Information.

Statements of financial position of the Company

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Investment properties	*13*	104,547	99,277	94,236
Property, plant and equipment	*13*	49,375	31,485	161,453
Intangible assets		5,389	3,324	1,377
Interests in associates and joint ventures	*16*	178,130	198,701	215,702
Investments in subsidiaries	*17*	26,180,941	26,832,959	28,052,281
Other receivables	*21*	–	112,207	881,042
Other non-current financial assets	*18*	229,257	205,683	45,723
Deferred tax assets		31,360	31,360	31,561
Time deposits		–	94,585	199,885
		26,778,999	27,609,581	29,683,260
Current assets				
Inventories	*20*	31,492	40,758	49,972
Trade and other receivables	*21*	9,717,107	10,956,224	9,603,599
Other current financial assets	*19*	54,451	26,882	128,967
Restricted bank deposits	*22*	18,822	12,280	1,679
Cash and cash equivalents	*22*	119,408	793,520	345,101
		9,941,280	11,829,664	10,129,318
Current liabilities				
Short-term borrowings	*25*	289,588	182,379	132,143
Trade and other payables	*24*	2,141,830	1,215,189	1,364,047
Contract liabilities	*24*	104	13	–
Bonds payables	*26*	–	499	–
		2,431,522	1,398,080	1,496,190
Net current assets		7,509,758	10,431,584	8,633,128
Total assets less current liabilities		34,288,757	38,041,165	38,316,388
Non-current liabilities				
Interest-bearing borrowings	*25*	257,400	237,000	383,800
Other non-current payables	*24*	4,706	5,962	–
Bonds payables	*26*	–	2,076,017	–
		262,106	2,318,979	383,800
NET ASSETS		34,026,651	35,722,186	37,932,588
CAPITAL AND RESERVES				
Share capital	*31*	7,008,178	7,008,178	7,306,061
Reserves		27,018,473	28,714,008	30,626,527
Total Equity		34,026,651	35,722,186	37,932,588

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of changes in equity

	Note	Share capital	Treasury Shares	Reserve for equity-settled share base payment	Other reserves	Exchange reserve	Equity component of convertible bonds	Statutory reserve	Retained earnings	Sub-totals	Non-controlling interests	Total equity
		(Note 31(c)(i))	*(Note 31(d))*	*(Note 31(e)(ii))*	*(Note 31(e)(i))*	*(Note 31(e)(iii))*			*(Note 31(e)(iv))*	*(Note 31(e)(v))*		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023		1,763,822	(392,039)	177,569	387,103	(41,021)	–	2,255,143	13,010,922	17,161,499	88,002	17,249,501
Changes in equity for 2023:												
Profit for the year		–	–	–	–	–	–	–	2,023,500	2,023,500	(9,601)	2,013,899
Other comprehensive loss	*11*	–	–	–	(32,592)	(19,609)	–	–	–	(52,201)	–	(52,201)
Total comprehensive income/(loss) for the year		–	–	–	(32,592)	(19,609)	–	–	2,023,500	1,971,299	(9,601)	1,961,698
Transfer		–	–	–	–	–	–	528,713	(528,713)	–	–	–
Equity-settled share-based compensation	*28*	–	–	62,024	–	–	–	–	–	62,024	69	62,093
Forfeiture of unvested restricted shares	*31(d)*	(7,643)	91,847	–	–	–	–	–	(84,204)	–	–	–
Capital withdrawal by NCI		–	–	–	–	–	–	–	–	–	(41,295)	(41,295)
Sale of unexercised shares under employee stock ownership plan ("ESOP")	*31(d)*	–	81	–	–	–	–	–	31	112	–	112
Dividend distribution to ESOP	*31(d)*	–	6,690	–	–	–	–	–	–	6,690	–	6,690
Vesting of shares under ESOP	*31(d)*	–	62,993	–	–	–	–	–	(29,192)	33,801	–	33,801
Capital injection by NCI		–	–	–	–	–	–	–	–	–	20,000	20,000
Dividend distribution	*31(b)*	–	–	–	–	–	–	–	(1,017,131)	(1,017,131)	–	(1,017,131)
Dividend distribution to NCI		–	–	–	–	–	–	–	–	–	(2,431)	(2,431)
Capital injection by major shareholder		–	–	–	–	–	–	–	9,472	9,472	(3,586)	5,886
Acquisition of a subsidiary		–	–	–	–	–	–	–	–	–	1,769	1,769
At December 31, 2023		1,756,179	(230,428)	239,593	354,511	(60,630)	–	2,783,856	13,384,685	18,227,766	52,927	18,280,693

	Note	Share capital	Treasury Shares	Reserve for equity-settled share base payment	Other reserves	Exchange reserve	Equity component of convertible bonds	Statutory reserve	Retained earnings	Sub-totals	Non-controlling interests	Total equity
		(Note 31(c)(i))	*(Note 31(d))*	*(Note 31(e)(ii))*	*(Note 31(e)(i))*	*(Note 31(e)(iii))*			*(Note 31(e)(iv))*	*(Note 31(e)(v))*		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024		1,756,179	(230,428)	239,593	354,511	(60,630)	–	2,783,856	13,384,685	18,227,766	52,927	18,280,693
Changes in equity for 2024:												
Profit for the year		–	–	–	–	–	–	–	1,755,226	1,755,226	5,507	1,760,733
Other comprehensive loss	*11*	–	–	–	(861)	(108,353)	–	–	–	(109,214)	–	(109,214)
Total comprehensive income/(loss) for the year		–	–	–	(861)	(108,353)	–	–	1,755,226	1,646,012	5,507	1,651,519
Transfer		–	–	–	–	–	–	283,721	(283,721)	–	–	–
Equity-settled share-based compensation	*28*	–	–	101,084	–	–	–	–	–	101,084	112	101,196
Convertible bond issued	*26*	–	–	–	–	–	45,701	–	–	45,701	–	45,701
Acquisition of NCI		–	–	–	–	–	–	–	–	–	4,177	4,177
Repurchase of shares under ESOP	*31(d)*	–	(59,947)	–	–	–	–	–	–	(59,947)	–	(59,947)
Sale of unexercised shares under ESOP	*31(d)*	–	259	–	–	–	–	–	245	504	–	504
Dividend distribution to ESOP	*31(d)*	–	965	–	–	–	–	–	–	965	–	965
Vesting of shares under ESOP	*31(d)*	–	62,401	–	–	–	–	–	(29,029)	33,372	–	33,372
Dividend distribution to NCI		–	–	–	–	–	–	–	–	–	(3,027)	(3,027)
Dividend distribution	*31(b)*	–	–	–	–	–	–	–	(209,690)	(209,690)	–	(209,690)
Capital injection by NCI		–	–	–	–	–	–	–	–	–	2,950	2,950
Share of other reserve of associates and joint ventures		–	–	–	568	–	–	–	–	568	–	568
At December 31, 2024		1,756,179	(226,750)	340,677	354,218	(168,983)	45,701	3,067,577	14,617,716	19,786,335	62,646	19,848,981

	Note	Share capital	Treasury Shares	Reserve for equity-settled share base payment	Other reserves	Exchange reserve	Equity component of convertible bonds	Statutory reserve	Retained earnings	Sub-totals	Non-controlling interests	Total equity
		(Note 31(c)(i))	*(Note 31(d))*	*(Note 31(e)(ii))*	*(Note 31(e)(i))*	*(Note 31(e)(iii))*			*(Note 31(e)(iv))*	*(Note 31(e)(v))*		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025		1,756,179	(226,750)	340,677	354,218	(168,983)	45,701	3,067,577	14,617,716	19,786,335	62,646	19,848,981
Changes in equity for 2025:												
Profit for the year		–	–	–	–	–	–	–	2,287,724	2,287,724	39,101	2,326,825
Other comprehensive loss	*11*	–	–	–	(32,306)	(80,360)	–	–	–	(112,666)	(38)	(112,704)
Total comprehensive income/(loss) for the year		–	–	–	(32,306)	(80,360)	–	–	2,287,724	2,175,058	39,063	2,214,121
Transfer		–	–	–	–	–	–	6,633	(6,633)	–	–	–
Equity-settled share-based compensation	*28*	–	–	316,338	–	–	–	–	–	316,338	570	316,908
Conversion of convertible bonds into share		58,543	–	–	–	–	(45,628)	–	2,095,255	2,108,170	–	2,108,170
Redemption of convertible bonds		–	–	–	–	–	(73)	–	–	(73)	–	(73)
Repurchase of shares under ESOP	*31(d)*	–	(319,912)	–	–	–	–	–	–	(319,912)	–	(319,912)
Dividend distribution under ESOP	*31(d)*	–	1,937	–	–	–	–	–	–	1,937	–	1,937
Repayment of capital to NCI		–	–	–	–	–	–	–	–	–	(2,550)	(2,550)
Dividend distribution	*31(b)*	–	–	–	–	–	–	–	(285,520)	(285,520)	–	(285,520)
Dividend distribution to NCI		–	–	–	–	–	–	–	–	–	(2,611)	(2,611)
Business combinations under common control	*32(f)*	–	–	–	–	–	–	–	(33,483)	(33,483)	4,683	(28,800)
Capital injection by NCI		–	–	–	–	–	–	–	–	–	2,000	2,000
Exercise of share options		16,107	–	–	–	–	–	–	270,147	286,254	–	286,254
Vesting of shares under ESOP	*31(d)*	–	139,374	–	–	–	–	–	(43,842)	95,532	–	95,532
Sale of unexercised shares under ESOP	*31(d)*	–	238	–	–	–	–	–	558	796	–	796
Obligation to acquire NCI	*32(c)*	–	–	–	–	–	–	–	(91,000)	(91,000)	–	(91,000)
Acquisition of subsidiaries	*32*	–	–	–	–	–	–	–	–	–	214,005	214,005
Share of other reserve of associates		–	–	–	(290)	–	–	–	–	(290)	–	(290)
At December 31, 2025		1,830,829	(405,113)	657,015	321,622	(249,343)	–	3,074,210	18,810,922	24,040,142	317,806	24,357,948

The accompanying notes form part of the Historical Financial Information.

Consolidated cash flow statements

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities				
Cash generated from operations	22(b)	5,573,575	4,468,243	4,858,952
Income tax paid		(294,824)	(453,182)	(426,150)
Net cash generated from operating activities		5,278,751	4,015,061	4,432,802
Investing activities				
Proceeds from disposal of investments in associates and joint ventures		245,913	4,000	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	27,666	269,044
Interest received		34,698	8,255	31,532
Dividends received from associates, joint ventures and financial assets		33,402	4,555	18,001
Proceeds from disposal of items of property, plant and equipment, intangible assets		80,760	1,990	22,722
Receipt of bank wealth management products and time deposits		2,149,312	209,755	1,296,627
Withdrawal of the deposit for derivative financial instruments		5,921	–	–
Cash inflow from acquisition of subsidiaries, net of cash acquired		–	2,184	–
Amounts received from related parties	35(c)	–	30,000	–
Payment for the purchase of property, plant and equipment, intangible assets		(2,282,049)	(3,623,127)	(4,833,121)
Payments to related parties		(50,000)	–	–
Additional capital injection in associates		(27,631)	(95,119)	(135,181)
Payment for acquisition of subsidiaries, net of cash acquired	32	(4,814)	–	(1,849,008)
Payments for acquisition of financial assets at fair value through profit or loss		(371,341)	(3,362)	(20,000)
Payment of bank wealth management products and time deposits		(1,958,302)	(283,291)	(2,970,500)
Payments for acquisition of financial assets at fair value through other comprehensive income		–	–	(17,500)
Cash outflow from other investing activities		–	–	(11,903)
Net cash used in investing activities		(2,144,131)	(3,716,494)	(8,199,287)

	Note	2023	2024	2025
		Year ended December 31,		
		RMB'000	RMB'000	RMB'000
Financing activities				
Proceeds from new borrowings	22(c)	7,847,087	6,847,326	10,433,228
Proceeds from share-based payment arrangements	28(c)(ii)	–	104,521	403,378
Cash inflow from other financing activities		10,123	5,509	103,296
Receipts of deposits with financial institutions		86,748	–	23,570
Proceeds from issuance of bonds payables	22(c)	–	2,120,498	–
Contributions from NCI		20,000	2,950	2,000
Contributions from the controlling shareholder		9,760	–	–
Amounts received from related parties	35(c)	55,000	–	–
Receipts of investment deposit to NCI		1,150	–	–
Repayment of borrowings	22(c)	(8,590,049)	(5,308,249)	(6,487,757)
Principal and interest of lease rentals paid	22(c)	(273,755)	(256,717)	(324,944)
Purchase of treasury shares		–	(59,983)	(319,979)
Dividends paid		(1,014,097)	(211,830)	(288,131)
Interests paid	22(c)	(352,899)	(245,362)	(222,718)
Payments of deposits with financial institutions		–	(227,516)	–
Payment to related parties		–	(23,500)	(29,500)
Payment for acquisition of a subsidiary under common control	32(f)	–	–	(28,800)
Payment for listing expense		–	–	(12,180)
Cash outflow from other financing activities		(11,061)	(13,997)	(5,051)
Payment for the redemption of convertible bonds	22(c)	–	–	(4,513)
Payment for fractional shares upon conversion of convertible bonds		–	–	(48)
Repayment of investment deposits to NCI		–	(1,150)	(2,550)
Payment for acquisition of NCI		–	(1,613)	(987)
Repayment of bonds payables	22(c)	(300,000)	–	–
Repayment to a related party	22(c)	(221,587)	–	–
Payment for forfeiture of unvested restricted shares		(76,682)	(135)	(125)
Repayment of investments to NCI		(41,000)	–	–
Net cash (used in)/generated from financing activities		(2,851,262)	2,730,752	3,238,189
Net increase/(decrease) in cash and cash equivalents		283,358	3,029,319	(528,296)
Effect of exchange rate changes		95,670	108,527	(63,173)
Cash and cash equivalents at the beginning of the year		2,522,106	2,901,134	6,038,980
Cash and cash equivalents at the end of the year	22(a)	2,901,134	6,038,980	5,447,511
Restricted bank deposits		120,257	534,429	735,617
Cash at bank and on hand		3,021,391	6,573,409	6,183,128

The accompanying notes form part of the Historical Financial Information.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

1.1 General information

Lingyi iTech (Guangdong) Company (the "Company") was incorporated in the People's Republic of China (the "PRC" or "China") in 1975 as an enterprise owned by the whole people and reformed to a joint stock company with limited liability under the Company Law of the PRC in 2008. The directors consider the immediate holding parent and ultimate controlling party of the Group to be Lingsheng Investment (Jiangsu) Co., Ltd. ("Lingsheng Investment") (領勝投資(江蘇)有限公司) (formerly known as Lingsheng Investment (Shenzhen) Co., Ltd. (領勝投資(深圳)有限公司) ("Lingsheng Investment") and Ms. Zeng Fangqin ("Ms. Zeng"), respectively, Lingsheng Investment (Jiangsu) Co., Ltd. is established in PRC.

The Company is principally engaged in investment holding. The Company and its subsidiaries (together, the "Group") are principally engaged in the business of manufacturing and sales of electronic devices, Automotive and Advanced Air Mobility (hereinafter referred to as "Automotive and AAM") and others.

The A shares of the Company have been listed on the Shenzhen Stock Exchange (002600) since July 2011. The address of the Company's registered office and its principal place of business is No. 8 Longwan Road, Jiangmen City, Guangdong Province.

The Historical Financial Information is presented in Renminbi ("RMB").

The statutory consolidated financial statements of the Company for the years ended December 31, 2023 prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)). The statutory consolidated financial statements of the Company for the year ended December 31, 2024 and 2025 was prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by RSM China Certified Public Accountants LLP ("RSM China"). (容誠會計師事務所(特殊普通合夥)).

The detailed information of particulars of principal subsidiaries was disclosed in note 1.2.

In this Historical Financial Information, certain English name of the companies referred herein represent the management's best effort to translate the Chinese name of the companies as no English name has been registered.

1.2 Basis of preparation and presentation of Historical Financial Information

In 2018, the Company acquired 100% equity interest in Lingyi Technology (Shenzhen) Company Limited (領益科技(深圳)有限公司) ("Lingyi Technology") from three vendors (the "Acquisition"), namely Lingsheng Investment, Shangrao Chuangkexiang Management Consulting Partnership (Limited Partnership) (上饒市創科祥管理諮詢合夥企業(有限合夥)), formerly known as Shenzhen Lingshang Investment Partnership (Limited Partnership) (深圳市領尚投資合夥企業(有限合夥)) ("Lingshang Investment LP") and Shangrao Jinxiangtai Management Consulting Partnership (Limited Partnership) (上饒市錦祥泰管理諮詢合夥企業(有限合夥)), formerly known as Shenzhen Lingjie Investment Partnership (Limited Partnership) (深圳市領傑投資合夥企業(有限合夥)) ("Lingjie Investment LP"), by issuing new shares (the "Consideration Shares") as consideration. The Acquisition, constituting a major asset restructuring and a reverse acquisition under relevant laws and regulations in the PRC, was approved by the shareholders of the Company in August 2017 and by the China Securities Regulatory Commission ("CSRC") in January 2018. The Company adopted its current name Lingyi iTech (Guangdong) Company (廣東領益智造股份有限公司) upon issuance of the Consideration Shares and completion of relevant commercial registration and procedures.

The issue price of the Consideration Shares was RMB4.68 per share, taking into account adjustments as a result of (a) distribution of cash dividends of RMB1 for every 10 existing shares of the Company and (b) issuance of new shares of the Company by way of capitalisation from the capital reserve on the basis of 10 new shares for every 10 existing shares of the Company. Such determination was in compliance with relevant rules and regulation issued by the CSRC. The number of Consideration Shares issued was 4,429,487,177 shares, of which 4,139,524,021 shares, 196,103,812 shares and 93,859,344 shares were issued to Lingsheng Investment, Lingshang Investment LP and Lingjie investment LP respectively, representing 61.02%, 2.89% and 1.38% of the equity interest of the Company as at the completion date of the Acquisition. As a result of the Acquisition, Lingsheng Investment became the controlling shareholder of the Company, and accordingly, Ms. Zeng, through holding 100%, 72.46% and 2.59% of the equity interests of Lingsheng Investment, Lingshang Investment LP and Lingjie Investment LP respectively, became the ultimate beneficial controlling shareholder of the Company.

The Acquisition constituted a reverse acquisition under International Financial Reporting Standard ("IFRS") 3, Business Combinations, whereby the Company (as the legal acquirer) is identified as the accounting acquiree and Lingyi Technology (as the legal acquiree) is identified as the accounting acquirer.

As such, this Historical Financial Information has been prepared as a continuation of the consolidated financial statements of Lingyi Technology and its subsidiaries (the "Lingyi Technology Group") and accordingly:

(i) The assets and liabilities of the Lingyi Technology Group are recognised and measured at their pre-combination carrying amounts;

(ii) The identified assets and liabilities of the Company and its original subsidiaries ("the Original Group") are recognised at fair value at the date of completion of the Acquisition and the consideration transferred is measured at the fair value of the equity interest of the Company as at the date of the Acquisition. The fair value of consideration transferred in excess of the fair value of the Original Group's identified net assets acquired by Lingyi Technology is recognised as goodwill;

(iii) The retained earnings and other equity balances reflect those of the Lingyi Technology Group before the business combination; and

(iv) The equity structure (i.e. the number and type of equity interests issued) presented on this Historical Financial Information reflects the equity structure of the legal subsidiary (the accounting acquirer) and is adjusted by adopting reverse acquisition accounting to reflect the number of shares of the legal parent (the accounting acquiree) issued in the Acquisition.

When applying the reverse acquisition accounting under IFRS 3 to account for the Acquisition, the results of the Original Group have been consolidated to this Historical Financial Information since the completion date of the Acquisition.

Subsequent changes of the share capital of the Company were adjusted using the exchange ratio established during the Acquisition to be presented on the Group's Historical Financial Information under the share capital.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users of the Historical Financial Information. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 3.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in note 2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have significant impact on the financial positions or results of the Group during the Track Record Period.

During the Track Record Period and at the date of this report, the parent company has direct or indirect interests in the following particulars of principal subsidiaries, all of which are private companies:

Name of subsidiary	Principal activities	Place of incorporation/ operation	Date of incorporation/ establishment	Registered share capital	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025		As at the date of this report	
					Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Zhengzhou Led Technology Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	November 6, 2015	RMB50 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Lingyu Technology (Suzhou) Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	December 10, 2012	RMB769.55 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Suzhou Linglue Intelligent Technology Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	April 16, 2021	RMB720 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Shenzhen Lingtao Technology Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	May 21, 2020	RMB20 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Shenzhen Lingpeng Intelligent Technology Co., Ltd. *(notes 1 and 3)*	Production and Sales	PRC	November 24, 2020	RMB50 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Shenzhen LLmachine Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	May 26, 2008	RMB200 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Salcomp (Shenzhen) Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	December 31, 1997	USD68.1 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Mianyang Weiqi Electronic Technology Co., Ltd. *(notes 1 and 4)*	Production and Sales	PRC	September 28, 2002	RMB21.15 million	–	69.74%	–	69.74%	–	69.74%	–	69.74%
Triumph Lead Electronic Technology (Shenzhen) Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	May 12, 2006	RMB216.50696 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
LS City Technology (Jiangsu) Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	December 20, 2013	RMB458 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
JPMF Jiangyi Co., Ltd. *(notes 1 and 2)*	Production and Sales of Electronic Components	PRC	January 4, 2006	RMB403.6356 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
A-CORE Jiangmen Electronics Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales of Electronic Components	PRC	June 28, 2006	USD3 million	–	91.50%	–	91.50%	–	91.50%	–	91.50%
Guilin Salcomp Electronic Technology Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	July 4, 2022	RMB81.011 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
LINGYI iTECH (GUANGDONG) COMPANY *(notes 1 and 2)*	Trading	PRC	July 1, 1975	RMB7,306.301714 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Dongguan Obi-di Precision Hardware Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	September 10, 2014	RMB905 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Shengxiang Precision Metal (Dongguan) Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	May 10, 2013	RMB240 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Dongguan Lingjie Metal Precision Manufacturing Technology Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	February 3, 2016	RMB300 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–

Name of subsidiary	Principal activities	Place of incorporation/ operation	Date of incorporation/ establishment	Registered share capital	As at December 31, 2023 Direct	2023 Indirect	2024 Direct	2024 Indirect	2025 Direct	2025 Indirect	As at the date of this report Direct	As at the date of this report Indirect
Chengdu Lingyi Technology Co., Ltd. *(notes 1 and 5)*	Production and Sales	PRC	May 19, 2014	RMB179.35856 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
TRIUMPH LEAD (SINGAPORE) PTE. LTD. *(note 7)*	Trading	Singapore	March 21, 2020	USD78.15 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
TLG INVESTMENT (HK) LIMITED *(note 6)*	Trading	Hong Kong, China	June 4, 2015	USD4.285 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
SALCOMP TECHNOLOGIES INDIA PRIVATE LIMITED *(note 8)*	Production and Sales	India	December 19, 2019	INR101.5 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Salcomp Plc *(note 9)*	Investment Holding, Trading	Finland	December 14, 1998	EUR9.83273512 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
SALCOMP MANUFACTURING INDIA PRIVATE LIMITED *(note 8)*	Production and Sales	India	March 28, 2006	INR1,179 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
LY INVESTMENT (HK) LIMITED *(note 6)*	Trading	Hong Kong, China	May 4, 2015	USD0.9 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–

Notes:

1. The official name of these entities are in Chinese. The English translation is for identification purpose only. These subsidiaries were incorporated as limited liability companies under the law of the PRC.

2. The financial statements of these companies for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC. The financial statements of these companies for the years ended December 31, 2023 were audited by Moore, and the financial statements for the year ended December 31, 2024 were audited by RSM China.

3. The financial statements of this company for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the ministry of finance of the PRC and were audited by Shenzhen Yuebao Certified Public Accountants.

4. The financial statements of this company for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the ministry of finance of the PRC and were audited by Chengdu Zhongli Certified Public Accountants.

5. The financial statements of this company for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the ministry of finance of the PRC and were audited by Chengdu Yujian Future Certified Public Accountants.

6. The statutory financial statements of these companies for the years ended December 31, 2023 and 2024 were prepared in accordance with all applicable HKFRS Accounting Standards. The financial statements of these companies for the year ended December 31, 2023 were audited by IMCL CPA LIMITED, and those for the year ended December 31, 2024 were audited by CL Partners CPA Limited.

7. The statutory financial statements of this company for the years ended December 31, 2023 and 2024 were prepared in accordance with the local accounting standards and were audited by LN CO Assurance.

8. The statutory financial statements of these companies for the years ended December 31, 2023 and 2024 were prepared in accordance with the local accounting standards and were audited by Deloitte Haskins & Sells LLP.

9. The statutory financial statements of this company, for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the local accounting standards and were audited by Moore Rewinet Oy.

10. The financial statements of these companies for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC. The financial statements of these companies for the years ended December 31, 2023 were audited by Moore, and the financial statements for the year ended December 31, 2024 and 2025 were audited by RSM China.

11. The parent company is Lingyi Technology, the accounting acquirer.

12. Except for the subsidiaries of Salcomp Plc named SALCOMP TECHNOLOGIES INDIA PRIVATE LIMITED, Lite-On-Mobile India Private Limited and SALCOMP MANUFACTURING INDIA PRIVATE LIMITED with financial year end at March 31, all companies now comprising the Group have adopted December 31 as their financial year end date.

13. As of the date of this report, except for these companies, the audited financial statements of other principal subsidiaries for the year ended December 31, 2025 have not yet been issued.

14. Listed above subsidiaries of the Company, which in the opinion of the Group, principally affected the results of the listed company during the Track Record Period. To give details of other subsidiaries would in the opinion of the Group, result in the particulars of excessive length.

2 MATERIAL ACCOUNTING POLICIES

(a) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(b) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date that control commences until the date that control ceases. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

The financial statements of subsidiaries are included in the Historical Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders 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, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in other reserve within equity attributable to owners of the Company.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in the former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as fair value on initial recognition of an associate, joint venture or financial asset.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses.

(c) Business combination and goodwill

(1) Business combination other than combinations of businesses under common control

Business combinations, other than combinations of businesses under common control, are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition-date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment.

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

(2) Combinations of businesses under common control

The consolidated financial statements incorporate the financial statements of the entities or businesses in which the common control combination occurs as if they had been combined from the date when the entities or businesses first came under the control of the Group.

The net assets of the combining entities or businesses are consolidated using the existing book values from the ultimate controlling parties' perspective. The assets and liabilities of the acquired entity or business should be recorded at the book values as stated in the financial statements of the controlling party. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties' interests.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

(d) Investments in associates and a joint venture

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in an associate and a joint venture is accounted for in the Historical Financial Information under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any).

The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the expected credit loss ("ECL")) model to such other long-term interests where applicable.

Unrealised profits and losses resulting from transactions between the Group and its associates or its joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

When the Group reduces its ownership interest in an associate or a joint venture 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 recognised 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 the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

In the Company's statement of financial position, investments in associates are stated in equity method.

(e) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures are as follows.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire. Investments in debt and equity securities are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVTPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 33(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Debt investment/instruments

Debt investment/instruments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

– fair value through other comprehensive income ("FVTOCI") — recycling, if the contractual cash flows of the investment comprises solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss.

Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(u)(iii).

(f) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(g) Investment properties

Investment properties are land and/or buildings which are owned to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment properties.

Investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost of investment properties over the estimated useful lives of 20 to 50 years. Any gain or loss arising from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(u)(v).

(h) Property, plant and equipment and construction in progress

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Except for freehold land, which is not depreciated, depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings	20-50 years
– Ownership interests in leasehold land held for own use	30-50 years
– Other properties leased for own use	Over the unexpired term of lease
– Leasehold improvements	3-10 years
– Furniture, fixtures and equipment	3-10 years
– Motor vehicles	3-10 years
– Machinery	3-15 years or over the unexpired term of lease

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents property, plant and equipment under construction and installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction, including borrowing costs attributable to the construction and installation during the construction and installation period. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when all of the activities necessary to prepare the assets for their intended use are substantially completed.

(i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised as an expense in the period in which it is incurred.

The following intangible assets acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses. Amortisation of an intangible asset with finite useful life is charged to profit or loss on a straight-line basis over the asset's estimated useful life.

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Software	5-10 years
– Patent	3-10 years
– Trademark	5-10 years

The useful life of software is estimated based on the valid period of the contracts. The useful life of each patent is estimated based on the life cycle of the products produced by using the patent, the current situation of technology and estimation of future development and upgrading of the technology. The useful life of trademark are estimated based on the contractual life of the patent or the period which reflects the pattern in which the other intangible asset's future economic benefits are expected to be consumed.

Other than above, customer relationship and core technology acquired in a business combination are recognised at fair value at the acquisition date. Amortisation is calculated using the straight-line method to allocate the cost of customer relationship and core technology over the estimated useful lives of 6 to 10 years. The useful life of customer relationship reflects the Company's directors' view of the average economic life of the customer relationship and is assessed by reference to annual attrition rate. The useful lives of core technology are determined by the period for which contractual or other legal rights are held or based on the expected economic lives, whichever is shorter.

Both the period and method of amortisation are reviewed annually.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and presents lease liabilities separately in the consolidated statement of financial position.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(u)(v).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(j)(i), then the Group classifies the sub-lease as an operating lease.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVTOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 2(u)(ii) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment, including construction in progress and right-of-use assets;

– investment properties;

– intangible assets;

– goodwill;

– interests in associates and joint ventures in the consolidated statement of financial position; and

– investments in associates, joint ventures and subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using weighted average cost formula and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method, less allowance for credit losses.

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs.

(o) Trade and other payables and contract liabilities

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Contract liabilities are recognised when the customer pays non-refundable consideration before the Group recognises the related revenue. Contract liabilities would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(p) Convertible bonds

The liability component of convertible bonds is subsequently measured at amortised cost, using the effective interest method.

Convertible bonds containing liability and equity components. The component parts of the convertible bonds issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity together with the carrying amount of the liability component will be transferred to share capital and retained earning as consideration for the shares issued. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profit. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the lives of the convertible note using the effective interest method.

(q) Cash and cash equivalents and restricted bank deposits

Cash and cash equivalents comprises cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Bank deposits which are restricted to use are presented separately in Historical Financial Information as "Restricted bank deposits". Restricted bank deposits is excluded from cash and cash equivalents in the consolidated cash flow statements. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(k)(i).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options or shares granted to employees is recognised as an employee cost with a corresponding increase in a reserve for equity-settled share-based payments within equity. The fair value is measured at grant date using the Black-Scholes option pricing model or market price, taking into account the terms and conditions (including lock up period) upon which the options and shares were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options or shares, the total estimated fair value of the options or shares is spread over the vesting period, taking into account the probability that the options or shares will vest.

During the vesting period, the number of share options or shares that are expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the reserve for equity-settled share base payment. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options or shares that vest (with a corresponding adjustment to the reserve for equity-settled share base payment). The equity amount is recognised in the reserve for equity-settled share base payment until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued), the option expires (when it is released directly to retained earnings) or the vesting conditions of the restricted shares are fulfilled (when it is released directly to retained earnings).

(s) Income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realized, provided they are enacted or substantively enacted at the end of each year for the Track Record Period.

Changes in deferred tax assets or liabilities are recognized in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if:

(a) the Group has the legally enforceable right to set off the recognized amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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, whose existence 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.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of goods

Sales of electronic devices, Automotive and AAM are recognised at a point in time. Revenue is recognised when control over a product is transferred to the customer.

Revenue for domestic sale of goods is recognised when the Group has delivered the products to the customers in accordance with the contract terms and has received acceptance and other proof of receipt from the customers.

Revenue for overseas sale of goods is recognised when the Company has obtained export-related documents such as the customs declaration form after completing export customs clearance and shipping the goods offshore or received acceptance and other proof of receipt from the customers.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(iii) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

(iv) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as other income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred income that is recognised in profit or loss over the useful life of the asset.

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities.

The results of operations with functional currency other than RMB are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation with functional currency other than RMB, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Related parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(2) An entity is related to the Group if any of the following conditions applies:

(i) 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).

(ii) 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).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (1).

(vii) a person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Historical Financial Information requires management to make judgments, estimates and assumptions based on currently available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Historical Financial Information and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimated. By their nature, these estimates are subject to measurement uncertainty and the effect on the Historical Financial Information of future periods could be material.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognised in the Historical Financial Information:

(a) Impairment of non-current assets (other than goodwill)

If circumstances indicate that the carrying value of a non-current asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

(b) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. If the management revises the gross profit rate adopted in the calculation of future cash flows of the cash-generating units and the revised gross profit rate is lower than the gross profit rate currently adopted, the Group may need to recognise an impairment loss of goodwill. If the management revises the pre-tax discount rate adopted in discounting cash flows and the revised pretax discount rate is higher than the discount rate currently adopted, the Group may need to recognise an impairment loss of goodwill.

(c) Impairment of trade receivables

The Group's management determines the impairment of trade receivables on a forward looking basis and the expected lifetime losses are recognised from initial recognition of the assets. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in business and customers' financial position. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management.

(d) Recognition of deferred tax assets

Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to the expectations of future cash flows from operations and the applicable tax laws. To the extent that future cash flows and taxable income differs significantly from estimates, the ability of the Group to realise the deferred tax assets recorded at the end of the reporting period could be impacted. Additionally, changes in tax laws could limit the ability of the Group to obtain tax deductions in the future.

(e) 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 the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's profit or loss and net assets value.

(f) Useful lives of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted prospectively if there are significant changes from previous estimates.

(g) Determining the lease term

As explained in policy note 2(j), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(h) Recognition of share-based payment expense

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the significant input of expected life of the share incentive granted, expected volatility, and risk-free rate and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, the Group uses a Black-Scholes option pricing model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

4 REVENUE

The principal activities of the Group are principally engaged in the business of manufacturing and sales of electronic devices, Automotive and AAM and others. Further details regarding the Group's principal activities are disclosed in note 5.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS15			
Disaggregated by major products			
Electronic devices	30,713,172	40,779,750	44,793,218
Automotive and AAM	1,384,509	2,116,865	2,954,379
Others*	2,032,324	1,348,247	3,653,507
	34,130,005	44,244,862	51,401,104
Revenue from other sources			
Gross rentals from investment properties	5,630	12,084	22,980
Gross rentals from other properties	18,382	2,587	4,860
	24,012	14,671	27,840
	34,154,017	44,259,533	51,428,944

* Others mainly comprise and are recognised at a point in the revenue from clean energy business.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographical markets is disclosed in notes 5(i) and 5(ii) respectively.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales and service contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales or service contracts that had an original expected duration of one year or less.

Details of credit risks arising from the customers of the Group are set out in note 33(a).

The following table shows how much of the revenue recognised during the Track Record Period relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	14,732	14,603	23,548

5 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

– Electronic devices: the application of advanced precision manufacturing processes, automated production, and intelligent technologies to provide core components and functional modules for electronic devices;

– Automotive and AAM: the intelligent manufacturing platform industry for intelligent vehicles and low-altitude economy refers to an integrated manufacturing system that applies advanced precision processing, automated production, and intelligent technologies to deliver core components, functional modules, and other high-precision hardware for intelligent vehicles and low-altitude economy applications; and

– Others: the others segment represents the provision of services or sale of goods other than those involved in above segments, mainly including logistics business, clean energy business as well as telecommunications business.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the senior executive management. The senior executive management does not evaluate operating segments using asset information.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the Track Record Period is set out below.

	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
For the year ended December 31, 2023	Point in time	Over time	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment					
Electronic devices	30,713,172	–	30,713,172	6,311,940	225,295
Automotive and AAM	1,384,509	–	1,384,509	25,651	9,400
Others	2,032,324	24,012	2,056,336	55,934	65,645
Total	34,130,005	24,012	34,154,017	6,393,525	300,340

	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
For the year ended December 31, 2024	Point in time	Over time	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment					
Electronic devices	40,779,750	–	40,779,750	6,549,511	176,609
Automotive and AAM	2,116,865	–	2,116,865	12,717	439
Others	1,348,247	14,671	1,362,918	(169,136)	522
Total	44,244,862	14,671	44,259,533	6,393,092	177,570

For the year ended December 31, 2025	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
	Point in time	Over time	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment					
Electronic devices	44,793,218	–	44,793,218	7,438,891	180,820
Automotive and AAM	2,954,379	–	2,954,379	256,904	3,012
Others	3,653,507	27,840	3,681,347	122,612	14,390
Total	51,401,104	27,840	51,428,944	7,818,407	198,222

Reconciliation of reportable segment results to profit before taxation is set out below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Reportable segment results	6,393,525	6,393,092	7,818,407
Unallocated income and expenses			
– Other income and other gains, net	207,045	374,885	349,425
– Selling and distribution expenses	(334,970)	(367,601)	(398,581)
– Administrative and other operating expenses	(1,623,500)	(1,652,896)	(2,137,430)
– Research and development expenses	(1,815,664)	(1,990,452)	(2,381,587)
– Provision for impairment losses on non-current assets	(300,340)	(177,570)	(198,222)
– Reversal of/(provision for) impairment losses on financial assets	215,437	(48,712)	1,052
– Finance costs	(348,707)	(304,163)	(380,264)
– Share of results of associates and joint ventures	95,216	(30,208)	60,577
Profit before taxation	2,488,042	2,196,375	2,733,377

(ii) Geographic information

The following table presents a summary of revenue by region based on the location of the Group's revenue from external customers. The geographical location is based on the place of domicile of the external customers at which the services were provided or the goods were delivered.

	Revenue from external customers		
	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	24,055,770	27,506,969	27,528,495
Overseas			
– Asia (excluding Chinese Mainland)(1)	3,998,832	9,629,757	12,963,885
– North America(2)	3,678,302	5,137,676	8,759,688
– Europe(3)	1,706,453	1,272,497	1,294,607
– Others(4)	714,660	712,634	882,269
	34,154,017	44,259,533	51,428,944

Notes:

(1) Primarily includes India, Vietnam, Hong Kong and Taiwan.

(2) Primarily includes the United States.

(3) Primarily includes the United Kingdom, Turkey, Ireland and Germany.

(4) Primarily includes Brazil.

Information about the Group's the investment properties and other property, plant and equipment (note 13a) is presented based on the geographic area set out below:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese Mainland	11,032,553	12,641,052	17,738,291
Overseas	2,639,546	2,836,599	2,874,387
	13,672,099	15,477,651	20,612,678

(iii) Information about major customers

Revenue from customer during the Track Record Period contributing over 10% of the total revenue of the Group is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	8,264,647	9,757,626	9,846,307
Customer B	N/A*	4,662,405	5,575,689
Customer C	3,587,329	4,989,792	6,605,592

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the year.

6 OTHER INCOME AND OTHER GAINS, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss on disposals of subsidiaries	–	(8,266)	(2,058)
Gain/(loss) on disposals of associates/joint ventures	22,299	–	(418)
Dividends	–	2,155	1,517
Gain/(loss) on listed equity securities at FVTPL	18,742	(1,619)	20,922
(Loss)/gain on derivative financial instruments at FVTPL	(277,050)	(167,756)	162,685
Gain on bank wealth management products at FVTPL and time deposits	43,301	34,204	69,715
Exchange gain/(loss)	94,296	204,108	(251,223)
Government grants*	223,729	230,783	222,801
Value added tax ("VAT") deductions	40,537	29,185	37,222
Loss on disposals of property, plant and equipment and other non-current assets	(10,927)	(10,006)	(5,033)
Bank interest income	51,938	67,362	79,302
Others	180	(5,265)	13,993
	207,045	374,885	349,425

* For the years ended December 31, 2023, 2024 and 2025, respectively, the Group has received funding from PRC Government regarding support mainly for employment stability and business in high-technology industry and research and development activities carried out by the Group.

During the Track Record Period, the amount of amortised deferred government grants were approximately a net amortisation of RMB95,100,000, RMB125,237,000 and RMB143,386,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on bank borrowings and other borrowings	304,540	264,351	298,745
Interest expense on lease liabilities	37,549	33,618	45,352
Interest expense on bonds payables	–	6,194	36,167
Interest expense in loans from a related party	6,618	–	–
	348,707	304,163	380,264

(b) Staff costs (including directors' emoluments)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	6,426,583	7,511,673	9,510,712
Contributions to defined contribution retirement plans	429,113	475,166	637,167
Equity-settled share-based payment expenses *(note 28)*	62,093	101,196	316,908
	6,917,789	8,088,035	10,464,787

The Group participates in various pension plans organised by governments of the PRC and other countries under which the Group is required to make monthly defined contributions to these plans based on employee's salaries cost in accordance with the relevant regulations.

(c) Other items

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amortisation cost of intangible assets *(note 14)*	143,353	115,602	64,607
Depreciation *(note 13)*	2,097,050	2,317,558	2,642,149
– owned property, plant and equipment and investment properties	1,843,446	2,057,145	2,276,873
– right-of-use assets	253,604	260,413	365,276
Auditors' remuneration	7,064	10,643	17,051
Cost of inventories *(note 20(b))*	27,722,190	37,821,758	43,555,043
(Reversal of)/provision for impairment of trade receivables and other receivables *(note 22(b))*	(215,437)	48,712	(1,052)
– trade and bills receivables *(note 33(a))*	(11,718)	147,316	73,883
– other receivables *(note 33(a))*	(203,719)	(98,604)	(74,935)
Impairment losses on non-current assets *(note 5(i))*	300,340	177,570	198,222
– intangible assets *(note 14)*	331	3,432	4,048
– owned property, plant and equipment and investment properties *(note 13)*	234,388	45,457	151,641
– goodwill *(note 15)*	65,621	128,681	42,533
Research and development costs*	1,815,664	1,990,452	2,381,587
Listing expenses	–	–	1,538

* Research and development costs include RMB951,338,000, RMB1,089,756,000 and RMB1,345,818,000 relating to staff costs, which amount is also included in the total amounts disclosed in note 7(b), for the years ended December 31, 2023, 2024 and 2025 respectively.

8 INCOME TAX

(a) Taxation in the consolidated statements of profit or loss:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Current tax – PRC Corporate Income Tax *(note (i))*			
Provision for the year	257,187	337,475	302,825
Under-provision in respect of prior years	5,712	10,406	27,079
	262,899	347,881	329,904
Current tax – Hong Kong Profits Tax *(note (ii))*			
Provision for the year	26,885	70,263	61,762
Under-provision in respect of prior years	–	–	31,164
	26,885	70,263	92,926
Current tax – Overseas Income Tax			
Provision for the year	45,493	69,804	137,862
Under/(over)-provision in respect of prior years	(2)	3	(21,874)
	45,491	69,807	115,988
Deferred tax			
Origination and reversal of temporary differences *(note 30(b))*	138,868	(52,309)	(132,266)
Total tax charged for the year	474,143	435,642	406,552

(i) In accordance with relevant PRC rules and regulations, the PRC Corporate Income Tax rate applicable to the Company and its subsidiaries in the PRC is principally 25% during the Track Record Period, unless otherwise specified. Subsidiaries which qualified as High and New Technology Enterprises ("HNTE") and Small and Micro Enterprises are taxed at preferential tax rate of 15% and 20% respectively based on the relevant PRC tax laws and regulations.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the Track Record Period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the Track Record Period.

(iii) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(iv) The Organization for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists to assist them with applying the legislation and determining the related impact.

Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	2,488,042	2,196,375	2,733,377
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	405,477	267,778	360,480
Tax effect of non-deductible expenses	8,315	26,759	76,942
Tax effect of unused tax losses and temporary difference not recognised	247,390	346,999	276,269
Tax effect of utilisation of tax losses not recognised in prior years	(8,771)	(49,196)	(116,515)
Super deduction of research and development expenses and others*	(183,978)	(167,107)	(226,993)
Under-provision in prior years	5,710	10,409	36,369
Actual tax expense	474,143	435,642	406,552

* Additional expense allowable for tax deduction is mainly arising from application of super-deduction on qualified research and development expenses enjoyed by certain PRC subsidiaries of the Group.

During the years ended December 31, 2023, 2024 and 2025, the super-deduction rate was 100%. According to the 13th Announcement in 2021 of the State Administration of Taxation and Ministry of Finance, the super-deduction rate of 100% is effective from January 1, 2021.

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Certain directors of the Company received remuneration from the subsidiaries now comprising the Group during the Track Record Period, which was included in the staff costs as disclosed in note 7(b). Directors' and supervisors' emoluments during the Track Record Period are as follows:

	For the year ended December 31, 2023					
	Directors' fee	Salaries, allowance and benefits in kind	Discretionary bonus	Retirement scheme contributions	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors						
Xuehua Li (appointed on February 28, 2018)	–	1,197	490	9	–	1,696
Jianfeng Liu (appointed on February 28, 2018)	–	1,515	588	14	715	2,832
Wei Fan (appointed on February 28, 2018)	–	1,178	500	9	715	2,402
Independent non-executive directors						
Jiancheng Liu (appointed on June 7, 2021)	150	–	–	–	–	150
Dongfang Li (appointed on September 12, 2018)	150	–	–	–	–	150
Yuanqing Cai (appointed on October 28, 2022)	150	–	–	–	–	150
Executive directors						
Fangqin Zeng (appointed on February 28, 2018)	–	3,000	542	16	–	3,558
Shuangyi Jia (appointed on April 20, 2021)	–	1,514	750	8	1,145	3,417
Yinqi Zeng (appointed on February 28, 2018; resigned on April 27, 2023)	–	480	–	3	–	483
Jun Tan (appointed on February 28, 2018)	–	1,011	300	9	172	1,492
Jinrong Huang (appointed on May 22, 2023)	–	683	50	3	125	861
	450	10,578	3,220	71	2,872	17,191

	For the year ended December 31, 2024					
	Directors' fee	Salaries, allowance and benefits in kind	Discretionary bonus	Retirement scheme contributions	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors						
Xuehua Li (appointed on February 28, 2018; resigned on July 4, 2024)	–	779	–	5	–	784
Jianfeng Liu (appointed on February 28, 2018; resigned on July 4, 2024)	–	962	–	8	180	1,150
Wei Fan (appointed on February 28, 2018; resigned on July 4, 2024)	–	815	–	5	180	1,000
Zhibin Wang (appointed on July 4, 2024)	–	1,132	1,040	5	860	3,037
Jingcheng Liu (appointed on July 4, 2024)	–	504	–	7	612	1,123
Lei Ma (appointed on July 4, 2024)	–	447	–	4	612	1,063
Independent non-executive directors						
Jiancheng Liu (appointed on June 7, 2021)	150	–	–	–	–	150
Dongfang Li (appointed on September 12, 2018; resigned on September 20, 2024)	113	–	–	–	–	113
Yuanqing Cai (appointed on October 28, 2022)	150	–	–	–	–	150
Chao Ruan (appointed on September 20, 2024)	38	–	–	–	–	38
Executive directors						
Fangqin Zeng (appointed on February 28, 2018)	–	3,600	–	16	–	3,616
Shuangyi Jia (appointed on April 20, 2021)	–	1,513	500	9	2,509	4,531
Jun Tan (appointed on February 28, 2018; resigned on July 4, 2024)	–	545	–	5	43	593
Jinrong Huang (appointed on May 22, 2023)	–	775	207	9	691	1,682
Bo Li (appointed on July 4, 2024)	–	933	500	4	1,110	2,547
	451	12,005	2,247	77	6,797	21,577

	For the year ended December 31, 2025					
	Directors' fee	Salaries, allowance and benefits in kind	Discretionary bonus	Retirement scheme contributions	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors (note)						
Zhibin Wang (appointed on July 4, 2024; resigned on July 4, 2025)	–	1,090	–	5	2,159	3,254
Jingcheng Liu (appointed on July 4, 2024; resigned on July 4, 2025)	–	571	–	9	1,697	2,277
Lei Ma (appointed on July 4, 2024; resigned on July 4, 2025)	–	527	–	5	1,697	2,229
Independent non-executive directors						
Jiancheng Liu (appointed on June 7, 2021)	150	–	–	–	–	150
Yuanqing Cai (appointed on October 28, 2022)	150	–	–	–	–	150
Chao Ruan (appointed on September 20, 2024)	150	–	–	–	–	150
Non-executive director						
Zhenghui Wei (appointed on September 26, 2025)	35	–	–	–	–	35
Executive directors						
Fangqin Zeng (appointed on February 28, 2018)	–	7,173	–	16	–	7,189
Shuangyi Jia (appointed on April 20, 2021)	–	1,496	700	11	3,882	6,089
Jinrong Huang (appointed on May 22, 2023)	–	806	222	10	2,141	3,179
Bo Li (appointed on July 4, 2024; resigned on September 8, 2025)	–	1,451	–	7	3,834	5,292
	485	13,114	922	63	15,410	29,994

Note: On June 17, 2025, at the 14th meeting of the sixth session of the board of directors of the Company, the Company resolved to no longer establish a supervisory committee and to abolish the posts of supervisors.

During the Track Record Period, there was no amount paid or payable by the Group to the directors, supervisors or any of the five highest paid individuals as set out in note 10 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was also no arrangement under which a director or supervisor has waived or agreed to waive any emoluments during the Track Record Period.

10 INDIVIDUAL WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments of the Group, nil, one, and nil individuals are directors/supervisors for the years ended December 31, 2023, 2024 and 2025, respectively, whose emoluments are disclosed in note 9.

The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	9,064	15,406	15,022
Discretionary bonuses	2,895	5,637	14,751
Retirement scheme contributions	83	100	94
Share-based payments	28,469	12,076	54,473
	40,511	33,219	84,340

The emoluments of the above individuals with the highest emoluments other than the directors/supervisors are within the following bands:

	Year ended December 31,		
	2023	2024	2025
HKD7,000,001 – HKD7,500,000	2	1	–
HKD7,500,001 – HKD8,000,000	1	1	–
HKD9,000,001 – HKD9,500,000	1	–	–
HKD10,000,001 – HKD10,500,000	–	1	–
HKD10,500,001 – HKD11,000,000	–	1	–
HKD13,000,001 – HKD13,500,000	1	–	–
HKD13,500,001 – HKD14,000,000	–	–	1
HKD19,000,001 – HKD19,500,000	–	–	3
HKD20,000,001 – HKD20,500,000	–	–	1

11 OTHER COMPREHENSIVE LOSS

		Year ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Before-tax amount				
Exchange differences on translation of financial information of foreign operations		(19,609)	(108,353)	(80,398)
Other comprehensive income/(loss) from associates under equity method	*16*	497	(829)	(16,223)
Remeasurements of the net defined benefit obligation		–	–	(10,545)
Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		(38,900)	(32)	(5,976)
		(58,012)	(109,214)	(113,142)
Less: tax expense				
Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		5,811	–	438

		Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Net-of-tax amount				
Exchange differences on translation of financial information of foreign operations		(19,609)	(108,353)	(80,398)
Other comprehensive income from associates under equity method	16	497	(829)	(16,223)
Remeasurements of the net defined benefit obligation		–	–	(10,545)
Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		(33,089)	(32)	(5,538)
Other comprehensive loss		(52,201)	(109,214)	(112,704)

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares in issue during the Track Record Period as follows:

(i) Profit attributable to equity shareholders of the Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit attributable to equity shareholders of the Company	2,023,500	1,755,226	2,287,724

(ii) Weighted average number of ordinary shares

	For the year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Issued ordinary shares at January 1,	7,038,675	7,008,178	7,008,178
Effect of convertible bond conversion	–	–	56,485
Effect of exercise of share options	–	–	10,466
Effect of ESOP	(63,619)	(56,022)	(67,196)
Effect of reserve for unvested restricted shares	(30,497)	–	–
Weighted average number of ordinary shares in issue	6,944,559	6,952,156	7,007,933

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares after adjusting for dilutive effect of the equity-settled share-based payment scheme and convertible bonds conversion as follows:

(i) Profit attributable to equity shareholders of the Company (diluted)

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit attributable to equity shareholders	2,023,500	1,755,226	2,287,724
Dilutive impact of convertible bonds conversion	–	6,194	36,167
Diluted profit attributable to equity shareholders	2,023,500	1,761,420	2,323,891

(ii) Weighted average number of ordinary shares (diluted)

	Year ended December 31,		
	2023	2024	2025
	'000	*'000*	*'000*
Weighted average number of ordinary shares at December 31,	6,944,559	6,952,156	7,007,933
Effect of shares for equity-settled share-based payment scheme	31,632	46,683	126,647
Dilutive impact of convertible bonds conversion	–	38,932	177,620
Weighted average number of ordinary shares in issue	6,976,191	7,037,771	7,312,200

13 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

The Group

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Freehold lands	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:											
At January 1, 2023	3,578,118	12,221,494	94,049	568,937	–	996,165	1,557,776	2,096,615	21,113,154	98,330	21,211,484
Addition through acquisition of the subsidiaries *(note 32)*	–	5,532	74	36	–	–	1,203	–	6,845	–	6,845
Other additions	13,076	986,683	5,448	30,235	–	1,499,460	276,112	223,056	3,034,070	–	3,034,070
Disposals	(1,054)	(449,278)	(13,599)	(27,565)	–	(8,782)	(111,423)	–	(611,701)	–	(611,701)
Transfers	303,478	875,680	–	135,912	–	(1,405,757)	67,706	(2,556)	(25,537)	25,537	–
Lease modification and termination	–	–	–	–	–	–	–	(168,089)	(168,089)	–	(168,089)
Exchange adjustments	4,653	30,528	174	4,416	–	8,391	9,121	3,011	60,294	–	60,294
At December 31, 2023 and January 1, 2024	3,898,271	13,670,639	86,146	711,971	–	1,089,477	1,800,495	2,152,037	23,409,036	123,867	23,532,903
Addition through acquisition of the subsidiaries *(note 32)*	–	2,327	10	11	–	–	55	3,332	5,735	–	5,735
Other additions	–	1,019,136	6,340	38,885	–	2,700,274	159,685	287,948	4,212,268	–	4,212,268
Disposals	(21,241)	(220,460)	(3,613)	(9,662)	–	(20,371)	(150,133)	(16,878)	(442,358)	–	(442,358)
Transfers	255,217	756,775	1,824	110,091	–	(1,592,403)	68,792	–	(399,704)	399,704	–
Lease modification and termination	–	–	–	–	–	–	–	(93,649)	(93,649)	–	(93,649)
Exchange adjustments	(5,972)	(61,840)	(207)	(11,964)	–	(5,599)	(15,342)	(14)	(100,938)	–	(100,938)
At December 31, 2024 and January 1, 2025	4,126,275	15,166,577	90,500	839,332	–	2,171,378	1,863,552	2,332,776	26,590,390	523,571	27,113,961

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Freehold lands	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:											
At December 31, 2024 and January 1, 2025	4,126,275	15,166,577	90,500	839,332	–	2,171,378	1,863,552	2,332,776	26,590,390	523,571	27,113,961
Addition through acquisition of the subsidiaries *(note 32)*	678,423	630,795	19,378	13,768	21,423	28,656	18,433	363,234	1,774,110	972	1,775,082
Other additions	–	1,151,409	9,847	36,663	–	4,256,339	63,889	673,682	6,191,829	–	6,191,829
Disposals	–	(331,754)	(7,975)	(7,887)	–	(43,100)	(553,321)	–	(944,037)	–	(944,037)
Transfers	951,939	1,874,531	–	186,879	–	(3,336,249)	384,317	32	61,449	(61,449)	–
Lease modification and termination	–	–	–	–	–	–	–	213,920	213,920	–	213,920
Exchange adjustments	(42,823)	(99,448)	(115)	(36,073)	–	(18,806)	(2,428)	(5,849)	(205,542)	–	(205,542)
At December 31, 2025	5,713,814	18,392,110	111,635	1,032,682	21,423	3,058,218	1,774,442	3,577,795	33,682,119	463,094	34,145,213
Accumulated depreciation and impairment:											
At January 1, 2023	826,535	5,389,005	66,773	354,912	–	15,673	848,942	551,377	8,053,217	51,806	8,105,023
Charge for the year	170,233	1,213,693	8,670	74,412	–	–	372,938	253,604	2,093,550	3,500	2,097,050
Transfers	(19,245)	(3,985)	–	(615)	–	4,600	–	(1,626)	(20,871)	20,871	–
Disposals	(1,054)	(336,274)	(12,157)	(24,401)	–	(2,402)	(91,009)	–	(467,297)	–	(467,297)
Impairment loss	111	212,937	179	228	–	20,933	–	–	234,388	–	234,388
Lease modification and termination	–	–	–	–	–	–	–	(136,518)	(136,518)	–	(136,518)
Exchange adjustments	650	18,220	84	2,428	–	–	5,706	1,070	28,158	–	28,158
At December 31, 2023 and January 1, 2024	977,230	6,493,596	63,549	406,964	–	38,804	1,136,577	667,907	9,784,627	76,177	9,860,804

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Freehold lands	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation and impairment:											
At December 31, 2023 and January 1, 2024	977,230	6,493,596	63,549	406,964	–	38,804	1,136,577	667,907	9,784,627	76,177	9,860,804
Charge for the year	224,414	1,368,565	8,703	93,710	–	–	356,865	260,413	2,312,670	4,888	2,317,558
Transfers	(164,417)	(74,824)	–	(37)	–	74,861	–	–	(164,417)	164,417	–
Disposals	(19,862)	(195,389)	(3,266)	(8,164)	–	(20,371)	(139,939)	(16,878)	(403,869)	–	(403,869)
Impairment loss	15,971	29,352	58	76	–	–	–	–	45,457	–	45,457
Lease modification and termination	–	–	–	–	–	–	–	(123,252)	(123,252)	–	(123,252)
Exchange adjustments	(686)	(42,395)	(149)	(6,048)	–	–	(10,948)	(162)	(60,388)	–	(60,388)
At December 31, 2024 and January 1, 2025	1,032,650	7,578,905	68,895	486,501	–	93,294	1,342,555	788,028	11,390,828	245,482	11,636,310
Charge for the year	201,110	1,581,770	8,096	94,124	–	–	368,058	365,276	2,618,434	23,715	2,642,149
Transfers	81,324	(106,580)	–	–	–	106,580	–	11	81,335	(81,335)	–
Disposals	–	(303,976)	(7,147)	(7,260)	–	(1,436)	(465,213)	–	(785,032)	–	(785,032)
Impairment loss	222	144,850	456	6,113	–	–	–	–	151,641	–	151,641
Lease modification and termination	–	–	–	–	–	–	–	(55,152)	(55,152)	–	(55,152)
Exchange adjustments	(10,287)	(31,761)	(32)	(12,555)	–	–	3	(2,749)	(57,381)	–	(57,381)
At December 31, 2025	1,305,019	8,863,208	70,268	566,923	–	198,438	1,245,403	1,095,414	13,344,673	187,862	13,532,535
Net book value:											
At December 31, 2023	2,921,041	7,177,043	22,597	305,007	–	1,050,673	663,918	1,484,130	13,624,409	47,690	13,672,099
At December 31, 2024	3,093,625	7,587,672	21,605	352,831	–	2,078,084	520,997	1,544,748	15,199,562	278,089	15,477,651
At December 31, 2025	4,408,795	9,528,902	41,367	465,759	21,423	2,859,780	529,039	2,482,381	20,337,446	275,232	20,612,678

The Company

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:										
At January 1, 2023	52,432	59,103	12,326	843	–	13,024	34,193	171,921	152,949	324,870
Other additions	–	–	17	–	–	–	–	17	–	17
Disposals	(320)	(10,636)	(6,935)	(100)	–	–	–	(17,991)	–	(17,991)
Transfers	(23,038)	–	–	–	–	–	(3,600)	(26,638)	26,638	–
At December 31, 2023 and January 1, 2024	29,074	48,467	5,408	743	–	13,024	30,593	127,309	179,587	306,896
Other additions	–	–	–	–	953	109	–	1,062	–	1,062
Disposals	(20,908)	(5,468)	(200)	(200)	–	(3,426)	–	(30,202)	–	(30,202)
At December 31, 2024 and January 1, 2025	8,166	42,999	5,208	543	953	9,707	30,593	98,169	179,587	277,756
Other additions	–	–	–	–	133,201	–	–	133,201	–	133,201
Disposals	–	(42,223)	(874)	–	–	–	–	(43,097)	–	(43,097)
Transfers	(4,550)	–	–	–	(70)	70	–	(4,550)	4,550	–
At December 31, 2025	3,616	776	4,334	543	134,084	9,777	30,593	183,723	184,137	367,860
Accumulated depreciation and impairment:										
At January 1, 2023	26,035	56,253	11,710	657	–	13,024	3,509	111,188	51,340	162,528
Charge for the year	1,520	–	–	69	–	–	795	2,384	5,154	7,538
Transfers	(16,829)	–	–	–	–	–	(1,717)	(18,546)	18,546	–
Disposals	(320)	(10,104)	(6,572)	(96)	–	–	–	(17,092)	–	(17,092)
At December 31, 2023 and January 1, 2024	10,406	46,149	5,138	630	–	13,024	2,587	77,934	75,040	152,974
Charge for the year	873	–	–	69	–	6	776	1,724	5,270	6,994
Disposals	(19,862)	(5,195)	(190)	(190)	–	(3,426)	–	(28,863)	–	(28,863)
Impairment loss	15,889	–	–	–	–	–	–	15,889	–	15,889
At December 31, 2024 and January 1, 2025	7,306	40,954	4,948	509	–	9,604	3,363	66,684	80,310	146,994

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Charge for the year	92	–	–	6	–	46	776	920	5,305	6,225
Transfers	(4,286)	–	–	–	–	–	–	(4,286)	4,286	–
Disposals	–	(40,218)	(830)	–	–	–	–	(41,048)	–	(41,048)
At December 31, 2025	3,112	736	4,118	515	–	9,650	4,139	22,270	89,901	112,171
Net book value:										
At December 31, 2023	18,668	2,318	270	113	–	–	28,006	49,375	104,547	153,922
At December 31, 2024	860	2,045	260	34	953	103	27,230	31,485	99,277	130,762
At December 31, 2025	504	40	216	28	134,084	127	26,454	161,453	94,236	255,689

As at December 31, 2023, 2024 and 2025, the legal title registration of certain of the Group's properties with carrying amount of approximately RMB665,929,000, RMB1,188,482,000 and RMB1,874,703,000 respectively is subject to certain administrative procedures to be completed by the relevant local government authorities. The board of Directors of the Company is of the opinion that the risks and rewards of using these assets have been transferred to the Group and there is no impact on use of these properties.

As at December 31, 2023, 2024 and 2025, certain investment properties and property, plant and equipment of the Group amounting to RMB925,275,000, RMB994,109,000 and RMB1,018,989,000, respectively, were pledged as security for bank loans granted to the Group or were subject to other restrictions.

As at December 31, 2024 and 2025, investment properties with a carrying amount of RMB229,605,000 and RMB211,991,000, respectively, were restricted in use. The restriction arose from a dispute between a subsidiary of the Group and the local government. Due to delays of the local construction project, the local government requested the return of the government grant of RMB159,000,000, which is presented as other payables and accruals in note 24, together with a claim for funding occupation charges. The subsidiary has initiated a legal proceeding against the local government and the proceeding is currently ongoing. Based on the information currently available, the directors of the Company consider that the matter is not expected to have a material adverse impact on the Group's financial position or results.

Impairment loss

During the Track Record Period, certain individual assets of property, plant and equipment in the manufacturing division were physically idle. The Group recorded impairment losses of RMB234,388,000, RMB45,457,000 and RMB151,641,000 in "provision for impairment losses on non-current assets" for the years ended December 31, 2023, 2024 and 2025, respectively.

The impairment losses recognised during the Track Record Period by reportable segment are set out below:

	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Electronic devices	224,989	44,512	138,286
Automotive and AAM	9,375	439	3,012
Others	24	506	10,343
	234,388	45,457	151,641

The recoverable amounts of the impaired individual property, plant and equipment were determined based on fair value less costs of disposal. The fair value less costs of disposal was estimated with reference to market transaction prices of the same or similar assets, taking into account estimated costs of disposal, including taxes and other costs directly attributable to the disposal of the relevant assets. The fair value measurement was categorised within Level 3 of the fair value hierarchy.

(b) Right-of-use assets

The Group

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Ownership interests in leasehold land held for own use, carried at depreciated cost	*(i)*	862,063	840,153	1,095,682
Other properties leased for own use, carried at depreciated cost	*(ii)*	622,067	701,486	1,386,699
Plant and machinery, carried at depreciated cost	*(iii)*	–	3,109	–
		1,484,130	1,544,748	2,482,381

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:			
– Ownership interests in leasehold land held for own use	22,734	23,650	24,773
– Other properties leased for own use	230,870	236,425	340,337
– Plant and machinery	–	338	166
	253,604	260,413	365,276

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interests in lease liabilities *(note 22(c))*	37,549	33,618	45,352
Expense relating to short-term leases	43,699	51,905	48,586
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	2,433	4,174	1,596

Additions to right-of-use assets were RMB223,056,000, RMB287,948,000 and RMB673,682,000 during the years ended December 31, 2023, 2024 and 2025 respectively. The amounts included the purchase of ownership interest in leasehold land of RMB7,546,000, RMB1,740,000 and nil respectively, and the remainder primarily related to the capitalised lease payments payable upon entering into new rental agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 22(d) and 27, respectively.

(i) Ownership interests in leasehold land held for own use

The Group has obtained the right to use certain leasehold land in the PRC. Lump sum payments were made upfront to acquire these land use right interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Other properties leased for own use

The Group has obtained the right to use other properties as its offices, production building, housing and warehouses through tenancy agreements. The leases typically run for an initial period of 2 to 16 years.

(iii) Plant and machinery

The Group leases production plants, machineries and office equipment under leases expiring from 2 to 3 years. None of the leases include option to renew the lease nor variable lease payments.

(c) Investment properties

The Group

Investment properties leased out under operating lease

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 15 years, with an option to renew the lease after that date at which time all terms are renegotiated. Certain leases include variable lease payment terms that are based on the revenue of tenants. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	20,759	12,328	19,457
After 1 year but within 2 years	17,132	19,575	22,001
After 2 year but within 3 years	16,188	21,370	22,460
After 3 year but within 4 years	13,880	22,594	22,890
After 4 year but within 5 years	15,557	22,689	23,266
After 5 years	103,671	100,308	231,280
	187,187	198,864	341,354

Fair value of investment properties

The Group's investment properties are stated at cost less accumulated depreciation and impairment loss (if any). Had the investment properties been stated at fair value, the carrying amounts would have been RMB142,340,000, RMB434,564,000 and RMB455,517,000 as at December 31, 2023, 2024 and 2025 respectively.

The fair value of investment properties is determined by the Group with reference to market conditions and discounted cash flow forecasts, taking into account current lease agreements on an arm's-length basis. The fair value measurement is categorised into level 3 of the fair value hierarchy as defined in IFRS 13 *Fair value measurement.*

14 INTANGIBLE ASSETS

The Group

	Patent	Software	Customer relationship	Core technology	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At January 1, 2023	301,090	149,685	70,083	93,762	51,542	666,162
Addition through acquisition of the subsidiaries, net *(note 32)*	–	–	5,151	–	–	5,151
Additions	–	31,665	–	4,549	–	36,214
Transfers	9,805	–	–	(9,805)	–	–
Disposals	–	(564)	–	–	–	(564)
Exchange adjustments	–	1,363	–	–	55	1,418
At December 31, 2023	310,895	182,149	75,234	88,506	51,597	708,381
At January 1, 2024	310,895	182,149	75,234	88,506	51,597	708,381
Transfers	4,781	–	–	(4,781)	–	–
Additions	–	32,359	–	2,516	–	34,875
Disposals	(7,795)	(1,292)	–	(13,211)	(18,610)	(40,908)
Exchange adjustments	–	(1,516)	–	–	(42)	(1,558)
At December 31, 2024	307,881	211,700	75,234	73,030	32,945	700,790
At January 1, 2025	307,881	211,700	75,234	73,030	32,945	700,790
Addition through acquisition of the subsidiaries *(note 32)*	17,441	7,997	–	–	15,523	40,961
Additions	–	19,464	–	–	–	19,464
Disposals	–	(11,467)	–	(7,919)	(3,310)	(22,696)
Exchange adjustments	–	1,446	–	–	95	1,541
At December 31, 2025	325,322	229,140	75,234	65,111	45,253	740,060
Accumulated amortisation and impairment:						
At January 1, 2023	127,360	89,818	28,044	34,287	23,657	303,166
Charge for the year	96,115	18,776	8,461	10,286	9,715	143,353
Written back on disposals	–	(513)	–	–	–	(513)
Impairment loss	–	331	–	–	–	331
Exchange adjustments	–	1,333	–	–	39	1,372
At December 31, 2023	223,475	109,745	36,505	44,573	33,411	447,709
At January 1, 2024	223,475	109,745	36,505	44,573	33,411	447,709
Charge for the year	69,375	23,705	8,980	10,286	3,256	115,602
Written back on disposals	(7,795)	(1,277)	–	–	(18,610)	(27,682)
Impairment loss	16	3,416	–	–	–	3,432
Exchange adjustments	–	(1,407)	–	–	(35)	(1,442)
At December 31, 2024	285,071	134,182	45,485	54,859	18,022	537,619
At January 1, 2025	285,071	134,182	45,485	54,859	18,022	537,619
Charge for the year	16,776	24,157	8,980	10,252	4,442	64,607
Written back on disposals	–	(9,512)	–	–	(3,310)	(12,822)
Impairment loss	3,370	678	–	–	–	4,048
Exchange adjustments	–	1,739	–	–	88	1,827
At December 31, 2025	305,217	151,244	54,465	65,111	19,242	595,279
Net book value:						
At December 31, 2023	87,420	72,404	38,729	43,933	18,186	260,672
At December 31, 2024	22,810	77,518	29,749	18,171	14,923	163,171
At December 31, 2025	20,105	77,896	20,769	–	26,011	144,781

15 GOODWILL

The Group

	Goodwill
	RMB'000
As at December 31, 2022	
Cost	13,219,176
Accumulated impairment	(11,852,269)
Net book amount	1,366,907
Year ended December 31, 2023	
Opening net book amount	1,366,907
Additions *(note 32(a))*	1,336
Impairment loss	(65,621)
Net book amount	1,302,622
As at December 31, 2023	
Cost	13,220,512
Accumulated impairment	(11,917,890)
Net book amount	1,302,622
Year ended December 31, 2024	
Opening net book amount	1,302,622
Impairment loss	(128,681)
Net book amount	1,173,941
As at December 31, 2024	
Cost	13,220,512
Accumulated impairment	(12,046,571)
Net book amount	1,173,941
Year ended December 31, 2025	
Opening net book amount	1,173,941
Additions* *(note 32(b))*	1,572,261
Impairment loss	(42,533)
Net book amount	2,703,669
As at December 31, 2025	
Cost	14,792,773
Accumulated impairment	(12,089,104)
Net book amount	2,703,669

* The increase in goodwill arose from the Group's completion of the acquisitions of Zhejiang Xianglong Machinery Co., Ltd. ("Zhejiang Xianglong"), Jiangsu Kooda Stern Automobile Technology ("Jiangsu Kooda"), Dongguan Jieying Precision Silicone Technology Co., Ltd. ("Jieying Technology") and Anshun (Asia) Investment Co., Ltd. ("Anshun Investment"). These acquisitions have enhanced the Group's profitability and business synergies in the Automotive and AAM and electronic devices sectors.

(a) Impairment losses

At each reporting date, the Group performed impairment testing on goodwill. The impairment test is based on the recoverable amount of the respective CGU to which the goodwill is allocated. The recoverable amount of the CGU was determined based on the value in use ("VIU") calculation. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised.

As at December 31, 2024 and 2025, the Group assessed the recoverable amounts of the related CGU of precision structural parts business to be RMB1,850,000,000 and RMB1,686,720,000, which was lower than the carrying amount of the CGU at the respective year end dates. As a result, impairment losses on goodwill of RMB38,853,000 and RMB42,533,000 were recognised respectively, and the carrying amounts of goodwill were impaired to RMB478,942,000 and RMB436,409,000 respectively. As at December 31, 2023, the Group performed impairment testing on goodwill of precision structural parts business. As the recoverable amount was higher than the carrying amount of the CGU, no further impairment loss of goodwill was recognised.

As at December 31, 2024, the Group assessed the recoverable amount of the related CGU of mobile charger business was RMB2,990,000,000, which was lower than the carrying amount of the CGU at the year end. As a result, an impairment loss of RMB89,828,000 on goodwill was recognised of the year ended December 31, 2024 and the carrying amount of the goodwill was impaired to RMB605,547,000 as at December 31, 2024. As at December 31, 2023, 2025, after performing the impairment testing on goodwill of mobile charger business, the recoverable amount was higher than the carrying amount, therefore no further impairment loss of goodwill was recognised.

As at December 31, 2023, the Group assessed the recoverable amount of the related CGU of base station components business to be RMB19,500,000, which was lower than the carrying amount of the CGU at the year end. As a result, an impairment loss of RMB65,621,000 on goodwill was recognised and the carrying amount of the goodwill was impaired to zero.

At the end of each reporting period, the Group performed impairment testing on goodwill of screen protector business and communication devices parts business. As the recoverable amount was higher than the carrying amount of each respective CGU as mentioned above, no impairment loss of goodwill was required.

Based on the impairment assessments performed on the impaired CGUs, except for the impairment losses recognised on goodwill, no further material impairment losses were recognised on other non-current assets allocated to the relevant CGUs during the Track Record Period.

(b) Impairment tests for cash-generating units containing goodwill

The goodwill is allocated to the Group's CGU identified according to nature of businesses as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Business of Zhejiang Xianglong	–	–	1,364,993
Precision structural parts business	517,795	478,942	436,409
Business of Jieying Technology	–	–	165,231
Screen protector business	54,074	54,074	54,074
Mobile charger business	695,375	605,547	605,547
Business of Jiangsu Kooda	–	–	42,037
Communication devices parts business	33,978	33,978	33,978
Automotive products	1,336	1,336	1,336
Others	64	64	64
	1,302,622	1,173,941	2,703,669

The segment classification of each cash-generating unit is as follows:

Segment	Cash-generating unit
Electronic devices	Precision structural parts business
Electronic devices	Business of Jieying Technology
Electronic devices	Screen protector business
Electronic devices	Mobile charger business
Electronic devices	Others
Automotive and AAM	Automotive products
Automotive and AAM	Business of Zhejiang Xianglong
Automotive and AAM	Business of Jiangsu Kooda
Others	Communication devices parts business
Others	Base station components business

For the CGU with an amount of goodwill, the key assumptions used in the value in use calculations are as follows:

(i) Pre-tax discount rate

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	16%	14%	15%
Communication devices parts business	14%	12%	14%
Screen protector business	15%	14%	14%
Mobile charger business	15%	12%	13%
Base station components business	15%	–	–
Business of Jieying Technology	N/A	N/A	17%
Business of Jiangsu Kooda	N/A	N/A	11%
Business of Zhejiang Xianglong	N/A	N/A	12%

(ii) Annual sales growth rate

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	2%~20%	5%~21%	2%~32%
Communication devices parts business	5%-8%	1%-3%	-9%~1%
Screen protector business	-7%~1%	1%~2%	-20%~5%
Mobile charger business	5%~19%	5%~14%	6%~13%
Base station components business	-19%~95%	–	–
Business of Jieying Technology	N/A	N/A	1%~20%
Business of Jiangsu Kooda	N/A	N/A	5%~7%
Business of Zhejiang Xianglong	N/A	N/A	5%~20%

(iii) Long-term average growth rate

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	0%	0%	0%
Communication devices parts business	0%	0%	0%
Screen protector business	0%	0%	0%
Mobile charger business	0%	0%	0%
Base station components business	0%	–	–
Business of Jieying Technology	N/A	N/A	0%
Business of Jiangsu Kooda	N/A	N/A	0%
Business of Zhejiang Xianglong	N/A	N/A	0%

(iv) Gross profit margins

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	10%-15%	10%-15%	0%-15%
Communication devices parts business	54%-55%	62%	57%-58%
Screen protector business	15%	13%-14%	12%-13%
Mobile charger business	10%-12%	8%-11%	7%-10%
Base station components business	0%-16%	–	–
Business of Jieying Technology	N/A	N/A	27%
Business of Jiangsu Kooda	N/A	N/A	14%-15%
Business of Zhejiang Xianglong	N/A	N/A	17%

(v) Sensitivity analysis and headroom

As disclosed in note 15(a), the carrying amounts of the related CGUs of precision structural parts business as at December 31, 2024 and 2025 and the carrying amounts of the related CGUs of mobile charger business as at December 31, 2024 have been impaired to their recoverable amounts. The carrying amount of the related CGUs of base station components business have been impaired to zero as at December 31, 2023.

The Group has conducted a sensitivity analysis on impairment test of the remaining CGUs containing significant goodwill.

(1) The sensitivity analysis for the CGUs being impaired

Sensitivity analysis for the precision structural parts business in 2024
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB59,000,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB91,000,000.

Sensitivity analysis for the precision structural parts business in 2025
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB58,596,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB108,094,000.

Sensitivity analysis for the mobile charger business in 2024
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB112,000,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB188,000,000.

Sensitivity analysis for the base station components business in 2023
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB1,600,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB3,000,000.

(2) The sensitivity analysis and headroom for the CGUs not being impaired

The following table sets out the headroom calculated based on the recoverable amounts after deducting the carrying amount of each CGU, reasonably possible changes to annual sales growth rate and the pre-tax discount rate that would, in isolation, have removed the remaining headroom respectively as at December 31, 2023, 2024 and 2025.

	For the year ended December 31, 2023			
	Mobile charger business	Precision structural parts business	Screen protector business	Communication devices parts business
Headroom (RMB'000)	1,465,080	124,198	42,859	8,377
Annual sales growth rate decrease	6.80%	1.17%	14.66%	1.03%
Pre-tax discount rate increase	3.97%	0.76%	10.60%	1.32%

	For the year ended December 31, 2024	
	Screen protector business	Communication devices parts business
Headroom (RMB'000)	58,240	57,289
Annual sales growth rate decrease	13.95%	6.88%
Pre-tax discount rate increase	21.00%	6.40%

	For the year ended December 31, 2025				
	Mobile charger business	Business of Jieying Technology	Business of Zhejiang Xianglong	Screen protector business	Communication devices parts business
Headroom (RMB'000)	163,550	22,546	176,160	12,173	27,622
Annual sales growth rate decrease	0.62%	0.26%	1.13%	3.54%	4.85%
Pre-tax discount rate increase	0.42%	0.88%	0.81%	2.72%	3.11%

During the year ended December 31, 2023 and 2025, management of the Group determined that there was no impairment of the CGU of mobile charger business as the recoverable amount exceeded the carrying amount by RMB1,465,080,000, and RMB163,550,000, respectively. If the annual sales growth rate were to decrease by 6.80% and 0.62%, or the pre-tax discount rate were to increase by 3.97%, and 0.42%, respectively, with all other parameters held constant, the recoverable amount of the CGU of mobile charger business would equal its carrying amount.

During the year ended December 31, 2023, management of the Group determined that there was no impairment of the CGU of precision structural parts business as the recoverable amount exceeded the carrying amount by RMB124,198,000. If the annual sales growth rate were to decrease by 1.17%, or the pre-tax discount rate were to increase by 0.76%, with all other parameters held constant, the recoverable amount of the CGU of precision structural parts business would be equal to its carrying amount.

During the year ended December 31, 2023, 2024 and 2025, management of the Group determined that there was no impairment of the CGU of screen protector business as the recoverable amount exceeded the carrying amount by RMB42,859,000, RMB58,240,000 and RMB12,173,000, respectively. If the annual sales growth rate were to decrease by 14.66%, 13.95% and 3.54%, or the pre-tax discount rate were to increase by 10.60%, 21.00% and 2.72%, respectively, with all other parameters held constant, the recoverable amount of the CGU of screen protector business would equal its carrying amount.

During the year ended December 31, 2023, 2024 and 2025, management of the Group determined that there was no impairment of the CGU of communication devices parts business as the recoverable amount exceeded the carrying amount by RMB8,377,000, RMB57,289,000 and RMB27,622,000, respectively. If the annual sales growth rate were to decrease by 1.03%, 6.88% and 4.85%, or the pre-tax discount rate were to increase by 1.32%, 6.40% and 3.11%, respectively, with all other parameters held constant, the recoverable amount of the CGU of communication devices parts business would equal its carrying amount.

During the year ended December 31, 2025, management of the Group determined that there was no impairment of the CGU of the business of Jieying Technology and Zhejiang Xianglong as the recoverable amount exceeded the carrying amount by RMB22,546,000 and RMB176,160,000. If the annual sales growth rate were to decrease by 0.26% and 1.13%, or the pre-tax discount rate were to increase by 0.88% and 0.81%, with all other parameters held constant, the recoverable amount of the CGU of the business of Jieying Technology and Zhejiang Xianglong would be equal to their carrying amounts.

These assumptions have been used for the analysis of the relevant CGU.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values
Annual sales growth rate	Annual sales growth rate over the five-year forecast period based on current industry trends, past performance and management's expectations for the future.
Gross profit margins	Based on past performance and management's expectations for the future.
Long-term average growth rate	This is the growth rate used to extrapolate cash flows beyond the five-year period, for mature enterprises, a 0% growth rate is conservatively adopted.
Pre-tax discount rate	The rate reflects specific risks relating to the relevant CGU and the countries in which they operate.

There are no other significant changes for the key assumptions applied in the value in use calculations.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Opening net carrying amount	672,567	525,188	569,275
Additional capital injection	27,093	95,886	128,462
Disposals	(238,642)	(4,000)	(15,000)
Share of results, net	95,216	(30,208)	60,577
Share of other comprehensive income/(loss), net	497	(829)	(16,223)
Change in other equity	–	568	(290)
Dividends declared	(33,402)	(14,764)	(4,120)
Addition through acquisition of the subsidiaries *(note 32)*	–	–	73,398
Others	1,859	(2,566)	872
Less: provision for impairment loss	–	–	–
At the end of the year	525,188	569,275	796,951

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Opening net carrying amount	167,254	178,130	198,701
Disposals	–	(4,000)	–
Share of results, net	12,876	38,201	20,692
Share of other comprehensive income, net	–	(4)	(1)
Change in other equity	–	568	(290)
Dividends declared	(2,000)	(14,066)	(3,400)
Others	–	(128)	–
Less: provision for impairment loss	–	–	–
At the end of the year	178,130	198,701	215,702

The following table contains the particulars of the material associates during the Track Record Period, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate and joint venture	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest 2023	Group's effective interest 2024	Group's effective interest 2025	Principal activities
光弘科技(投資)有限公司 ("DBG Electronics (Investment) Limited")	Incorporated	Hong Kong, PRC	HKD1,283.02 million	24.50%	24.50%	24.50%	Investment
廣東東睦新材料有限公司 ("Guangdong Nbtm New Materials Co., Ltd")	Established	PRC	RMB150 million	40.00%	40.00%	40.00%	Powder metallurgy business

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the Historical Financial Information, are disclosed below:

	As at December 31, 2023	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Gross amounts of the associates		
Current assets	69,919	90,758
Non-current assets	354,377	128,980
Current liabilities	37,509	12,714
Non-current liabilities	–	1,332
Equity	386,787	205,692
Revenue	84,776	173,490
(Loss)/profit for the year	(25,626)	14,784
Total comprehensive income	(23,600)	14,784
Dividend received from the associate	–	2,000
Reconciled to the Group's interests in associates		
Gross amounts of net assets of the associate	386,787	205,692
Group's effective interest	24.50%	40.00%
Group's share of net assets of the associate	94,763	82,277
Carrying amounts in the Historical Financial Information	102,470	82,277

	As at December 31, 2024	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Gross amounts of the associates		
Current assets	409,128	120,627
Non-current assets	458,175	128,034
Current liabilities	79,513	28,283
Non-current liabilities	3,110	1,919
Equity	784,680	218,459
Revenue	194,268	206,897
Profit for the year	19,028	18,767
Total comprehensive income	15,660	18,767
Dividend received from the associate	–	2,400
Reconciled to the Group's interests in associates		
Gross amounts of net assets of the associate	784,680	218,459
Group's effective interest	24.50%	40.00%
Group's share of net assets of the associate	192,247	87,384
Carrying amounts in the Historical Financial Information	202,937	87,384

	As at December 31, 2025	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Gross amounts of the associates		
Current assets	644,013	136,569
Non-current assets	840,966	122,123
Current liabilities	115,011	22,853
Non-current liabilities	13,125	4,717
Equity	1,356,842	231,122

	As at December 31, 2025	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Revenue	637,829	219,289
Profit for the year	100,052	19,473
Total comprehensive income	33,839	19,473
Dividend received from the associate	–	3,000
Reconciled to the Group's interests in the associates		
Gross amounts of net assets of the associate	1,356,842	231,122
Group's effective interest	24.50%	40.00%
Group's share of net assets of the associate	332,426	92,449
Carrying amounts in the Historical Financial Information	335,553	92,449

The following table illustrates the financial information of the Group's remaining associates and a joint venture:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates and joint ventures in the Historical Financial Information	340,441	278,954	368,949
Aggregate amounts of the Group's share of those associates and joint ventures:			
– profit/(loss) for the year	94,309	(42,376)	28,275
– other comprehensive loss	–	(4)	(1)
– total comprehensive income/(loss)	94,309	(42,380)	28,274

17 INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted shares, at cost	26,180,941	26,832,959	28,052,281

18 OTHER NON-CURRENT FINANCIAL ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
FVTPL (non-current)			
Listed equity instruments *(note 33(e))*			
– CSI Solar *(note (i))*	227,568	204,026	–
Unlisted equity securities *(note 33(e))*			
– Dinghui Zhong'an M&A (Anhui) Equity Investment Fund Partnership (Limited Partnership) *(note (ii))*	–	–	18,127
	227,568	204,026	18,127
FVTOCI (non-current)			
Listed equity instruments *(note 33(e))*			
– Others	1,760	1,728	2,176
Unlisted equity securities designated at FVTOCI (non-recycling) *(note 33(e))*			
– Hefei CAS Dihuge Automation Co., Ltd *(note (iii))*	72,074	72,074	57,659
– Hangzhou BOCO Electronics Co., Ltd. *(note (iv))*	–	–	25,490
	73,834	73,802	85,325
	301,402	277,828	103,452

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
FVTPL (non-current)			
Listed equity instruments			
– CSI Solar *(note (i))*	227,568	204,026	–
Unlisted equity securities			
– Dinghui Zhong'an M&A (Anhui) Equity Investment Fund Partnership (Limited Partnership) *(note (ii))*	–	–	18,127
	227,568	204,026	18,127
FVTOCI (non-current)			
Listed equity instruments			
– Others	1,689	1,657	2,106
Unlisted equity securities designated at FVTOCI (non-recycling)			
– Hangzhou BOCO Electronics Co., Ltd. *(note (iv))*	–	–	25,490
	1,689	1,657	27,596
	229,257	205,683	45,723

Notes:

(i) In May 2023, the Group participated in the strategic placement of the initial public offering of CSI Solar (阿特斯陽光電力集團股份有限公司) on the Sci-Tech Innovation Board with a cash investment. The allocated amount was RMB199,999,999.80, representing a 0.49% equity interest. This investment is classified as "other non-current financial assets" and is subsequently measured at FVTPL. As at December 31, 2025, the Group has fully disposed of its shares in CSI Solar.

(ii) The unlisted equity securities are investment in Dinghui Zhong'an M&A (Anhui) Equity Investment Fund Partnership (Limited Partnership) (鼎暉中安併購(安徽)股權投資基金合夥企業(有限合夥)) ("Dinghui Zhong'an"), a company incorporated in PRC and engaged in commercial services. The Group owns 4.84% equity interests of Dinghui Zhong'an. This investment is classified as "other non-current financial assets" and is subsequently measured at FVTPL.

(iii) The unlisted equity securities are investment in Hefei CAS Dihuge Automation Co., Ltd (合肥中科迪宏自動化有限公司) ("Hefei Dihuge"), a company incorporated in PRC and engaged in professional technical services. The Group owns 8.51% equity interests of Hefei Dihuge and designated its investment in Hefei Dihuge at FVTOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the Track Record Period.

(iv) The unlisted equity securities are investment in Hangzhou BOCO Electronics Co., Ltd. (杭州鉑科電子股份有限公司) ("Hangzhou BOCO"), a company incorporated in PRC and engaged in software development. The Group owns 1.83% equity interests of Hangzhou BOCO and designated the investment in Hangzhou BOCO at FVTOCI (non-recycling). No dividends were received on this investment during the Track Record Period.

19 OTHER CURRENT FINANCIAL ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVTPL			
Listed equity securities *(note 33 (e))*			
– Guangdong Liwang High-tech Co., Ltd. *(note (i))*	11,000	6,960	19,744
– China National Software & Service Co., Ltd. *(note (ii))*	–	–	185
Bank wealth management products *(note (iii))* *(note 33 (e))*	26,606	–	1,495,521
Derivative financial instruments *(note (iv)) (note 33 (e))*	36,691	–	836
Contingent consideration *(note (v)) (note 33(e))*	–	–	13,116
	74,297	6,960	1,529,402

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVTOCI			
Notes receivables measured at FVTOCI *(note (vi)) (note 33(e))*	238,991	248,517	403,378
	313,288	255,477	1,932,780

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVTPL			
Bank wealth management products *(note (iii))*	–	–	100,720
Financial assets measured at FVTOCI			
Notes receivables measured at FVTOCI *(note (vi))*	54,451	26,882	28,247
	54,451	26,882	128,967

Notes:

(i) The listed equity securities held by the Group are investments in Guangdong Liwang High-tech Co., Ltd. (廣東力王高新科技股份有限公司), a company established in PRC and engaged in manufacturing electronic equipments. The Group designated the investment at FVTPL, as it is held for transaction.

(ii) The listed equity securities held by the Group are investments in China National Software & Service Co., Ltd. (中國軟件與技術服務股份有限公司), a company established in PRC and engaged in software development. The Group designated the investment at FVTPL, as it is held for transaction.

(iii) Bank wealth management products measured at FVTPL, which were held by the Group, carried interest rates ranged 1.98%-2.05% per annum, and 1.80%-3.00% per annum as of December 31, 2023, and 2025. As of December 31, 2025, the Company's holdings of such products carried an annualized yield of 2.00%. These financial assets are held for the purpose of collecting contractual cash flows.

(iv) The derivatives are forward foreign exchange contracts and are measured at fair value at the end of each reporting period. Their fair values are determined with reference to fair values of comparable instruments in the market or quoted prices from counterparties.

(v) In July 2025, the Group entered equity purchase agreements with Junjing Enterprise (Hong Kong) Co., Ltd. ("Junjing Hong Kong"), Yangsheng Enterprise Co., Ltd. ("Yangsheng Enterprise") and Shifuxin Enterprise Co., Ltd. ("Shifuxin") (collectively referred as "Vendors"), independent third parties, to purchase 80% equity interests in Dongguan Jieying Precision Silicone Technology Co., Ltd. ("Jieying Technology"), and 80% equity interests of Anshun (Asia) Investment Co., Ltd. ("Anshun Investment"). Upon completion, Jieying Technology and Anshun Investment became the subsidiaries of the Group (the "Purchase Agreements").

Pursuant to the Purchase Agreements, the consideration payable consists of two components: (i) a cash consideration of RMB344,000,000, which was paid upon completion of the transactions, and (ii) a contingent cash consideration subject to the achievement of the committed net profit, which is the audited net profit of Jieying Technology and Anshun Investment for the fiscal year 2025 (based on a simulated consolidated reporting basis) shall be no less than RMB48,000,000 (the "Committed Net Profit"). If the actual audited net profit for fiscal year 2025 falls below the Committed Net Profit, the Vendors shall compensate the Group in cash, proportionate to the respective equity interests transferred.

As of December 31, 2025, the contingent cash consideration attributable to the shortfall of the Committed Net Profit amounted to RMB13,116,000, which is recognised as contingent consideration. In the opinion of the directors of the Company, the contingent receivables will be settled in twelve months from the year end date and is classified as current asset.

(vi) Notes receivables held by the Group, which are measured at FVTOCI, are issued or guaranteed by reputable PRC banks with high credit ratings. The Group believes that the notes receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the notes receivables are minimal due to its short-term nature. In addition, the Group has discounted and endorsed certain notes receivables and has derecognised the full carrying amount of these notes receivables and the associated trade and other payables at the same time.

As at December 31, 2023, 2024 and 2025, certain notes receivables measured at FVTOCI of the Group amounting to RMB118,511,000, RMB52,648,000, and RMB19,114,000, respectively, were pledged for bank loans and banking facilities granted to the Group.

As at December 31, 2023, 2024 and 2025, certain notes receivables measured at FVTOCI of the Group amounting to RMB506,472,000, RMB739,653,000 and RMB1,855,681,000 respectively were discounted and endorsed against the settlement of trade and other payables of the Group and derecognised at the end of each reporting period.

Information about the Group's exposure to credit risks and fair value measurement regarding the listed equity securities as well as derivative financial instruments, is included in note 33.

20 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprises:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	1,466,010	1,272,861	1,370,161
Work-in-progress	834,521	1,028,381	1,221,395
Finished goods	3,263,141	3,133,891	4,313,484
Goods in transit	85,394	315,496	175,520
Consigned processing materials	76,206	90,942	92,727
Consumables	10,815	17,663	16,604
	5,736,087	5,859,234	7,189,891

Inventories in the statements of financial position of the Company comprises:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	31,492	40,758	49,972

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	27,315,125	37,235,169	43,246,419
Write down of inventories	407,065	586,589	308,624
	27,722,190	37,821,758	43,555,043

21 TRADE AND OTHER RECEIVABLES

The Group

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current				
Prepayments				
– Prepayments for purchase of property, plant and equipment		525,510	331,397	333,197
– Amount due from related parties	*35(c)*	–	–	953
		525,510	331,397	334,150
Current				
Trade receivables, net of loss allowance		8,790,675	11,444,644	13,769,760
Bills receivables, net of loss allowance		129,944	104,488	253,945

	Note	As at December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Subtotal		8,920,619	11,549,132	14,023,705
Deposits, prepayments and other receivables				
– VAT recoverable		277,198	385,524	524,973
– Mold costs to be amortized		284,469	217,040	419,245
– Deferred listing expenses		–	–	17,175
– Others		610,235	660,570	840,090
– Amounts due from related parties	35(c)	138,886	12,673	4,574
		1,310,788	1,275,807	1,806,057
		10,231,407	12,824,939	15,829,762
		10,756,917	13,156,336	16,163,912

Included in trade receivables, RMB26,443,000, RMB24,177,000 and RMB13,191,000 were amounts due from related parties with trade in nature as at December 31, 2023, 2024 and 2025.

As at December 31, 2023, 2024 and 2025, certain bills receivables of the Group amounting to RMB23,372,000, RMB22,954,000, and RMB67,161,000, respectively, were pledged for bank loans and banking facilities granted to the Group.

As at December 31, 2023, 2024 and 2025, certain bills receivables of the Group amounting to RMB52,682,000, RMB51,092,000 and RMB116,496,000, respectively were discounted and endorsed against the settlement of trade and other payables of the Group and not derecognised at the end of each reporting period.

The Company

	As at December 31, 2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Other receivables			
– Long term receivables from subsidiaries	–	111,676	881,007
– Others	–	531	35
	–	112,207	881,042
Current			
Trade receivables, net of loss allowance			
– Due from subsidiaries	34,344	27,068	31,979
– Due from third parties	599,915	632,115	428,837
Bills receivables, net of loss allowance	1,579	1,585	678
Subtotal	635,838	660,768	461,494
Deposits, prepayments and other receivables			
– Amounts due from subsidiaries	9,073,902	10,283,699	9,124,820
– Others	7,367	11,757	17,285
	9,717,107	10,956,224	9,603,599
	9,717,107	11,068,431	10,484,641

Ageing analysis on the Group level

As at the end of each reporting period, the ageing analysis of trade and bills receivables based on invoice date and net of loss allowance is as follows:

	As at December 31, 2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	9,384,218	12,142,568	14,677,670
1 year to 2 years	10,416	17,549	15,468
2 years to 3 years	947	1,094	13,152

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
3 years to 4 years	82	669	739
4 years to 5 years	867	28	322
Over 5 years	36,773	34,164	33,675
	9,433,303	12,196,072	14,741,026
Loss allowance	(512,684)	(646,940)	(717,321)
	8,920,619	11,549,132	14,023,705

The credit periods granted to customers were generally within 30 to 120 days during the Track Record Period. The Group does not hold any collateral over the balances. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivables are set out in note 33(a).

22 CASH AND BANK BALANCES

(a) Cash and bank balances comprises:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand	2,876,389	4,929,980	5,447,511
Deposits with banks			
– With original maturity of within three months	–	650,000	–
– With original maturity of over three months but within one year	24,745	459,000	–
Cash and cash equivalents	2,901,134	6,038,980	5,447,511
Restricted bank deposits *(note (e))*	120,257	534,429	735,617
Total cash and bank balances	3,021,391	6,573,409	6,183,128

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	119,408	793,520	345,101
Restricted bank deposits	18,822	12,280	1,679
Total cash and bank balances	138,230	805,800	346,780

(b) Reconciliation of profit before taxation to cash generated from operations:

		Year ended December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Profit before tax		2,488,042	2,196,375	2,733,377
Adjustments for:				
– Share of (profits)/loss of associates and joint ventures	*16*	(95,216)	30,208	(60,577)
– Net gain on financial assets		(6,798)	(33,836)	(119,946)
– Depreciation and impairment of owned property, plant and equipment and investment properties	*7(c)*	2,077,834	2,102,602	2,428,514
– Depreciation and impairment of right-of-use assets	*7(c)*	253,604	260,413	365,276

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
– Amortisation and impairment of intangible assets	7(c)	143,684	119,034	68,655
– Fair value loss/(gain) on financial assets at fair value through profit and loss	6	199,812	179,160	(134,445)
– Loss on disposals of property, plant and equipment and other non-current assets	6	10,927	10,006	7,510
– Write-down of inventories to net realisable value	20	407,065	586,589	308,624
– Impairment of goodwill	15	65,621	128,681	42,533
– Finance costs	7(a)	348,707	304,163	380,264
– Other gains and losses, net		(2,227)	(116,183)	(20,762)
– (Reversal of)/provision for impairment of trade receivables and other receivables	7(c)	(215,437)	48,712	(1,052)
– Share-based payment expense	7(b)	62,093	101,196	316,908
Changes in working capital:				
Decrease/(increase) in trade and bills receivables		140,834	(2,771,153)	(1,447,999)
Decrease/(increase) in prepayments, deposits and other receivables		17,614	(91,045)	(415,528)
Increase in inventories		(1,039,785)	(706,356)	(888,389)
Increase in trade and bills payables		480,458	1,972,980	738,014
Increase in other payables and accruals		236,823	137,739	570,235
(Decrease)/increase in contract liabilities		(80)	8,958	(12,260)
Cash generated from operations		5,573,575	4,468,243	4,858,952

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Borrowings	Bonds payables	Loans from a related party	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	8,109,599	314,400	261,069	740,553	9,425,621
Changes from financing cash flows:					
Proceeds from new borrowings	7,847,087	–	–	–	7,847,087
Repayment of borrowings	(8,590,049)	–	–	–	(8,590,049)
Repayment of bonds payables	–	(300,000)	–	–	(300,000)
Capital element of lease rentals paid	–	–	–	(236,206)	(236,206)
Interest element of lease rentals paid	–	–	–	(37,549)	(37,549)
Repayment to a related party	–	–	(221,587)	–	(221,587)
Interest paid	(289,286)	(14,400)	(49,213)	–	(352,899)
Total changes from financing cash flows	(1,032,248)	(314,400)	(270,800)	(273,755)	(1,891,203)
Exchange adjustments	46,623	–	3,113	1,934	51,670
Other changes:					
Increase in lease liabilities from entering into new leases during the period	–	–	–	198,945	198,945
Interest incurred during the year	304,540	–	6,618	37,549	348,707
Total other changes	304,540	–	6,618	236,494	547,652
At December 31, 2023	7,428,514	–	–	705,226	8,133,740

	Borrowings	Bonds payables	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	7,428,514	–	705,226	8,133,740
Changes from financing cash flows:				
Proceeds from new borrowings	6,847,326	–	–	6,847,326
Repayment of borrowings	(5,308,249)	–	–	(5,308,249)
Proceeds from issuance of bonds payables	–	2,120,498	–	2,120,498
Transaction fee	–	(4,475)	–	(4,475)
Capital element of lease rentals paid	–	–	(223,099)	(223,099)
Interest element of lease rentals paid	–	–	(33,618)	(33,618)
Interest paid	(245,362)	–	–	(245,362)
Total changes from financing cash flows	1,293,715	2,116,023	(256,717)	3,153,021
Exchange adjustments	33,214	–	(4,165)	29,049
Other changes:				
Interest incurred during the year	264,351	6,194	33,618	304,163
Equity component of convertible bond	–	(45,701)	–	(45,701)
Increase in lease liabilities from entering into new leases during the period	–	–	317,858	317,858
Addition through acquisition of Subsidiaries *(note (32))*	2,000	–	1,212	3,212
Total other changes	266,351	(39,507)	352,688	579,532
At December 31, 2024	9,021,794	2,076,516	797,032	11,895,342

	Borrowings	Bonds payables	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	9,021,794	2,076,516	797,032	11,895,342
Changes from financing cash flows:				
Proceeds from new borrowings	10,433,228	–	–	10,433,228
Repayment of borrowings	(6,487,757)	–	–	(6,487,757)
Redemption of convertible bonds	–	(4,513)	–	(4,513)
Capital element of lease rentals paid	–	–	(279,592)	(279,592)
Interest element of lease rentals paid	–	–	(45,352)	(45,352)
Interest paid	(222,718)	–	–	(222,718)
Total changes from financing cash flows	3,722,753	(4,513)	(324,944)	3,393,296
Exchange adjustments	(62,517)	–	(2,127)	(64,644)
Other changes:				
Interest incurred during the year	298,745	36,167	45,352	380,264
Conversion of convertible bonds to equity	–	(2,108,170)	–	(2,108,170)
Addition through acquisition of subsidiaries *(note (32))*	361,263	–	86,516	447,779
Increase in lease liabilities from entering into new leases during the year	–	–	900,246	900,246
Total other changes	660,008	(2,072,003)	1,032,114	(379,881)
At December 31, 2025	13,342,038	–	1,502,075	14,844,113

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprises the following:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating cash flows	(48,028)	(57,658)	(44,031)
Within financing cash flows	(273,755)	(256,717)	(324,944)
	(321,783)	(314,375)	(368,975)

These amounts relate to the following:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease rentals paid	(321,783)	(314,375)	(368,975)

(e) Restricted bank deposits

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current	120,257	534,429	735,617

The analysis of restricted bank deposits of the Group on each end of the reporting period is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Security deposits for bank acceptance bills	78,843	415,156	578,949
Security deposits for letter of guarantee	20,587	27,819	20,881
Frozen Funds*(note)*	16,862	88,331	107,019
Others	3,965	3,123	28,768
	120,257	534,429	735,617

Note: The frozen funds mainly represented amounts frozen due to ongoing litigations.

23 TIME DEPOSITS

The time deposits represents the bank deposits placed in PRC banks with high credit rating.

As at December 31, 2023, 2024 and 2025, the Group held time deposits with original maturity of over three months but within one year of nil, nil and RMB80,225,000; and time deposits with original maturity of over one year of RMB824,556,000, RMB977,456,000 and RMB1,190,064,000. These time deposits carried effective interest rates ranged 3.10%-3.40%, 3.10%-3.45% and 2.40%-3.45%.

As at December 31, 2023, 2024 and 2025, certain time deposits of the Group amounting to nil, RMB527,945,000 and RMB90,225,000, respectively. The deposits in 2024 were pledged for bank loans granted to the group, while the deposits in 2025 were pledged for the issuance of bank acceptance bills.

24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

The Group

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-Current				
Deferred government grant income		771,822	747,275	627,582
Employee benefits obligation		–	–	36,813
Obligation to acquire NCI *(note a)*	*32(c)*	–	–	91,531
Other liabilities		4,705	5,962	–
		776,527	753,237	755,926
Current				
Trade payables *(note b)*		6,908,765	8,728,200	10,754,516
Bills payables		541,237	687,029	1,611,216
Accrual for salaries and bonus		436,447	442,570	586,496
Dividend payables		5,465	6,352	6,352
Other payables and accruals				
– Payables for acquisition of property, plant and equipment *(note b)*		605,529	1,003,087	1,737,553

	Note	As at December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
– Payable for repayment of government grants and funding occupation charges		–	–	185,892
– Share repurchase obligations under the ESOP		71,268	144,694	189,093
– Advance received for consigned processing materials		178,634	136,519	156,913
– Equity consideration payables	*32(e)*	–	–	115,384
– Withholding tax on individual income tax on the ESOPs		10,046	4,928	93,395
– Others		669,758	755,795	929,741
– Amounts due to related parties	*35(c)*	173,136	29,501	7
		1,708,371	2,074,524	3,407,978
		9,600,285	11,938,675	16,366,558
Contract liabilities:				
– Third parties		17,478	26,434	92,664
– Related parties		–	1	–
		17,478	26,435	92,664
		9,617,763	11,965,110	16,459,222
		10,394,290	12,718,347	17,215,148

Notes:

(a) Under the Purchase Agreements, the Group has a contractual obligation to acquire the remaining 20% equity interests in Jieying Technology and Anshun Investment on or before June 30, 2029. As the obligation is not expected to be settled within twelve months after December 31, 2025, it was classified as a non-current liability as at December 31, 2025.

(b) Included in trade payables and payables for acquisition of property, plant and equipment, RMB86,987,000, RMB101,961,000 and RMB93,271,000 were amounts due to related parties with trade in nature as at December 31, 2023, 2024 and 2025.

The Company

	As at December 31, 2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-Current			
Other liabilities	4,706	5,962	–
	4,706	5,962	–
Current			
Trade payables			
– Due to subsidiaries	707,617	368,912	203,480
– Due to third parties	496	383	384
Bills payables	66,838	8,279	7,109
Accrual for salaries and bonus	3,636	3,998	3,715
Dividend payables	5,465	6,352	6,352
Other payables and accruals			
– Amounts due to subsidiaries	1,084,842	501,609	489,281
– Others	272,936	325,656	653,726
	2,141,830	1,215,189	1,364,047
Contract liabilities			
– Advance from other parties	104	13	–
	2,141,934	1,215,202	1,364,047
	2,146,640	1,221,164	1,364,047

(a) Trade payables

The credit period granted by suppliers is generally within 60 to 120 days.

As at the end of each reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	6,681,745	8,595,439	10,591,878
1 year to 2 years	87,155	45,033	95,498
2 years to 3 years	129,706	33,179	24,506
3 years to 4 years	7,865	50,782	30,007
4 years to 5 years	904	1,702	7,788
Over 5 years	1,390	2,065	4,839
	6,908,765	8,728,200	10,754,516

(b) Contract liabilities

The movements in contract liabilities during the track record period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	17,558	17,478	26,435
Addition through acquisition of the subsidiaries	–	–	78,267
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities	(25,789)	(25,026)	(55,552)
Increase in contract liabilities as a result of billing in advance of sales activities	25,627	33,993	43,712
Exchange adjustments	82	(10)	(198)
Balance at the end of the year	17,478	26,435	92,664

The revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year amounted to RMB14,732,000, RMB14,603,000 and RMB23,548,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

25 BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Long-term bank borrowings – unsecured but guaranteed	3,430,733	5,220,638	2,560,346
Long-term bank borrowings – secured and guaranteed	551,890	601,250	1,734,659
Interest payable	3,727	4,872	4,478
Total non-current	3,986,350	5,826,760	4,299,483
Current			
Short-term bank borrowings – unsecured and unguaranteed	80,432	–	35,000
Short-term bank borrowings – unsecured but guaranteed	831,655	137,990	2,047,146
Short-term bank borrowings – secured and guaranteed	358,480	50,000	45,000
Short-term bank borrowings – secured but unguaranteed	215,000	741,137	2,404,199
Current portion of long-term bank borrowings – unsecured and unguaranteed	–	–	9,900
Current portion of long-term bank borrowings – unsecured but guaranteed	899,910	1,773,140	4,186,997
Current portion of long-term bank borrowings – secured and guaranteed	1,051,875	490,690	311,711
Interest payable	4,812	2,077	2,602
Total current	3,442,164	3,195,034	9,042,555
Total	7,428,514	9,021,794	13,342,038

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Long-term bank borrowings – unsecured but guaranteed	257,400	237,000	383,800
Total non-current	257,400	237,000	383,800
Current			
Short-term bank borrowings – secured and guaranteed	258,480	–	–
Current portion of long-term bank borrowings – unsecured but guaranteed	30,600	150,000	131,800
Current portion of long-term bank borrowings – secured and guaranteed	–	32,010	–
Interest payable	508	369	343
Total current	289,588	182,379	132,143
Total	546,988	419,379	515,943

As at December 31, 2023, 2024 and 2025, bank loans in the amount of approximately RMB7,124,543,000, RMB 8,273,708,000 and RMB10,885,859,000 granted to the Group were guaranteed by the Company and subsidiaries of the Group.

All of the non-current borrowings, except for the non-current interest payable, are interest-bearing and carried at amortised cost. None of the non-current interest-bearing borrowings is expected to be settled within one year.

(a) Loans

At the end of each reporting period, the loans were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	3,442,164	3,195,034	9,042,555
After 1 year but within 2 years	2,079,918	4,026,687	2,249,376
After 2 years but within 5 years	1,906,432	1,736,432	2,018,467
After 5 years	–	63,641	31,640
	7,428,514	9,021,794	13,342,038

The borrowings are classified by the Group as current liabilities as they are repayable within one year.

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statements of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 33(b). As at December 31, 2023, 2024 and 2025, none of the covenants relating to drawn down facilities had been breached.

(b) Interest rate risk

The range of effective interest rates (which are also equal to contracted interest rates) on the borrowings is as follows:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Effective interest rate	Amount	Effective interest rate	Amount	Effective interest rate	Amount
		RMB'000		*RMB'000*		*RMB'000*
Fixed rate borrowings:						
Bank loan	2.38%-6.49%	(1,628,496)	0.56%-2.80%	(1,642,097)	1.05%-2.80%	(4,746,584)
		(1,628,496)		(1,642,097)		(4,746,584)
Variable rate borrowings:						
Bank loan	0.1%-6.55%	(5,800,018)	1.1%-3.85%	(7,379,697)	1.95%-3.00%	(8,595,454)
		(5,800,018)		(7,379,697)		(8,595,454)
		(7,428,514)		(9,021,794)		(13,342,038)

The Group's variable-rate bank borrowings include RMB-denominated borrowings that accrue interest at the Loan Prime Rate (LPR) plus or minus a certain percentage, and foreign currency-denominated borrowings that accrue interest at the Secured Overnight Financing Rate (SOFR) plus or minus a certain percentage. The interest rates are reset at intervals ranging from 1 to 12 months.

26 BONDS PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other bonds payables	–	2,076,017	–
Interest payables	–	499	–
Less: Current portion of bonds payables	–	(499)	–
	–	2,076,017	–

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other bonds payables	–	2,076,017	–
Interest payables	–	499	–
Less: Current portion of bonds payables	–	(499)	–
	–	2,076,017	–

(a) Bonds payable by nature

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Corporate bonds	–	–	–
Convertible bonds	–	2,076,516	–
	–	2,076,516	–

(b) The detail information of the bonds issued during the Track Record Period

Issuer	Bond name	Face value	Issued date	Term	Issued amount	Coupon rate
					RMB'000	
Lingyi Technology	Lingyi Technology 2020 Public Offering of Corporate Bonds (Targeting Qualified Investors) (First Tranche) (the "Corporate Bonds") *(note (i))*	RMB100 per note	January 2020	3 years	300,000	4.80%
LINGYI iTECH (GUANGDONG) COMPANY	Convertible Corporate Bonds (the "Convertible Bonds") *(note (ii))*	RMB100 per note	November 2024	6 years	2,137,418	0.2%~2%

Notes:

(i) On January 17, 2020, the Group issued 3-year RMB300,000,000 corporate bonds due on January 21, 2023 to the bondholders, bearing annual interest at 4.8%. The proceeds were used for general corporate purposes, such as repaying bank borrowings and supplementing working capital.

(ii) On November 18, 2024, the Company issued 6-year RMB2,137,418,000 convertible bonds due in November 2030 to the bondholders, bearing annual interest at 0.2% to 2.0%. The proceeds were used for general corporate purposes. The bondholders have the right, at any time on or after six months after the issuance completion date (November 22, 2024, T+4) and up to the maturity date, to convert part or all of the outstanding principal amount of the Convertible Bonds into ordinary shares of the Company at an initial conversion price of RMB9.15 per share, subject to adjustments.

Due to a cash dividend distribution of RMB0.2 per 10 shares, the conversion price has been adjusted to RMB9.13 per share effective May 7, 2025. Assuming full conversion of the Convertible Bonds at the conversion price of RMB9.13 per share, the Convertible Bonds will be convertible into 234,109,320 shares.

The liability and equity components of the Convertible Bonds on initial recognition are presented as follows:

Face value of the convertible bonds on the issue date	2,137,418
Less: transaction costs	(21,395)
Net proceeds	2,116,023
Less: equity component	(45,701)
Liability component on initial recognition	2,070,322

The outstanding principal amount of the Convertible Bonds is repayable by the Company within five trading days after the maturity date if not previously redeemed, converted or purchased and cancelled. During the period from November 22, 2024 to November 17, 2030, the Company will have the right, at its discretion, to redeem in whole or in part the outstanding Convertible Bonds at their principal amount plus accrued interest upon occurrence of certain specified conditions.

The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion, redemption or maturity of the bonds. The remainder of the proceeds was allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

The Group expects that it will be able to meet its redemption obligations based on the financial position of the Group had conversion of the Convertible Bonds not exercised on maturity.

(c) The bonds payable recognised in the consolidated statement of financial position as at December 31, 2023, 2024 and 2025

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	314,400	–	2,076,516
Issue of bonds	–	2,070,322	–
Interest accrued at par value for the year	–	499	2,886
Amortization of premiums	–	5,695	33,281
Redemption of bonds	(300,000)	–	(4,513)
Interest paid during the year	(14,400)	–	–
Conversion of bonds	–	–	(2,108,170)
At the end of the year	–	2,076,516	–

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	–	–	2,076,516
Issue of bonds	–	2,070,322	–
Interest accrued at par value for the year	–	499	2,886
Amortization of premiums	–	5,695	33,281
Redemption of bonds	–	–	(4,513)
Conversion of bonds	–	–	(2,108,170)
At the end of the year	–	2,076,516	–

(d) Conversion of the bonds

For the year ended December 31, 2025, the bondholders exercised their right to convert the Convertible Bonds. The conversion of the bonds with a principal amount of RMB2,132,901,700 at a price of RMB9.13 per conversion share resulted in the issuance of 233,610,732 shares.

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company) after the Acquisition. Accordingly, the converted shares stated above and respective financial impacts have been adjusted to reflect the impact of the Acquisition under the Group's consolidated statement of changes in equity.

(e) Interest rate risk

The effective interest rates on the bonds are as follows:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Effective interest rate	Amount	Effective interest rate	Amount	Effective interest rate	Amount
		RMB'000		*RMB'000*		*RMB'000*
Fixed rate borrowings:						
Bonds payable	–	–	2.39%	(2,076,516)	–	–

27 LEASE LIABILITIES

The Group

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of each reporting period:

	As at December 31,					
	2023		2024		2025	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	217,760	246,438	293,626	322,481	385,133	427,929
After 1 year but within 2 years	186,195	200,471	174,025	192,225	267,213	302,667
After 2 years but within 5 years	183,175	199,508	215,244	242,792	484,662	540,400
After 5 years	118,096	133,827	114,137	137,042	365,067	393,924
	705,226	780,244	797,032	894,540	1,502,075	1,664,920
Less: total future interest expenses		(75,018)		(97,508)		(162,845)
Present value of lease obligations		705,226		797,032		1,502,075

The weighted average incremental borrowing rates applied to lease liabilities is 2.34%-16.00% per annum during the Track Record Period.

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Share options

The Company has approved a share option scheme on September 4, 2018 ("2018 Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to grant share options to employees of the Group for subscribing ordinary shares of the Company. Each option gives the holder a right to subscribe for one ordinary share in the Company and is settled gross in shares. The first batch of the 2018 Share Option Scheme was granted on September 25, 2018, where 69,743,500 share options were granted to 823 staffs and the exercise price was determined to be RMB3.31 per share option.The second batch of the 2018 Share Option Scheme was granted on July 22, 2019, where 9,004,500 share options were granted to 388 staff and the exercise price was determined to be RMB6.23 per share option. The vesting conditions and contractual life of each batch of the options of 2018 Share Option Scheme is as below.

The Company has approved another share option scheme on January 18, 2021 ("2021 Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to grant share options to employees of the Group for subscribing ordinary shares of the Company. Each option gives the holder a right to subscribe for one ordinary share in the Company and is settled gross in shares. The first batch of the 2021 Share Option Scheme was granted on January 18, 2021, where 35,076,600 share options were granted to 440 staff and the exercise price was determined to be RMB12.78 per share option. The vesting conditions and contractual life of each batch of the options of 2021 Share Option Scheme is as below.

The Company has approved a share option scheme on July 26, 2024 ("2024 Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to grant share options to employees of the Group for subscribing ordinary shares of the Company. Each option gives the holder a right to subscribe for one ordinary share in the Company and is settled gross in shares. The first batch of the 2024 Share Option Scheme was granted on September 18, 2024, where 188,610,000 share options were granted to 1,410 staff and the exercise price was determined to be RMB4.46 per share option. The second batch of the 2024 Share Option Scheme was granted on August 6, 2025, where 47,147,500 share options were granted to 394 staffs and the exercise price was determined to be RMB4.44 per share option. The vesting conditions and contractual life of each batch of the options of 2024 Share Option Scheme is as below.

(i) The terms and conditions of the grants during the Track Record Period:

	Number of instruments	Vesting conditions	Contractual life of options
– Employees			
on September 25, 2018	69,743,500	First Batch of 2018 Share Option Scheme: – 25%, 25%, 25% and 25% vest after 18 months, 30 months, 42 months and 54 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group	Vesting period plus 12 months
on July 22, 2019	9,004,500	Second Batch of 2018 Share Option Scheme: – 25%, 25%, 25% and 25% vest after 12 months, 24 months, 36 months and 48 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group	Vesting period plus 12 months
on January 18, 2021	35,076,600	First Batch of 2021 Share Option Scheme: – 30%, 30% and 40% vest after 16 months, 28 months and 40 months from the date of grant subject to performance guarantee mechanism with reference to net profit or revenue growth rate of the Group	Vesting period plus 12 months
on September 18, 2024	188,610,000	First Batch of 2024 Share Option Scheme: – 40%, 30% and 30% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group	Vesting period plus 12 months
on August 6, 2025	47,147,500	Second Batch of 2024 Share Option Scheme: – 40%, 30% and 30% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group	Vesting period plus 12 months
Total share options granted	349,582,100		

(ii) The number and weighted average exercise prices of share options

The Company

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*
Outstanding at the beginning of the year	9.41	32,767	–	–	4.46	186,730
Granted during the year	–	–	4.46	188,610	4.44	47,148
Exercised during the year	–	–	–	–	4.44	(65,321)
Forfeited during the year	9.12	(32,767)	4.46	(1,880)	4.44	(20,613)
Outstanding at the end of the year	–	–	4.46	186,730	4.43	147,944
Exercisable at the end of the year	–	–	–	–	4.42	1,385

The outstanding share options of the first and second batch of 2018 Share Option Scheme had an exercise price of RMB3.31 and RMB6.23, respectively, as at December 31, 2018 and 2019. During the year ended December 31, 2020, the exercise price was adjusted to RMB3.11 and RMB6.03 per share option for the first and second batch of 2018 Share Option Scheme, respectively, according to the terms of the share option scheme and dividend distribution scheme.

The outstanding share options had an exercise price of RMB4.46 for the first batch of 2024 Share Option Scheme as at December 31, 2024.

The outstanding share options of the first and second batch of 2024 Share Option Scheme had an exercise price of RMB4.42 and RMB4.44, respectively, as at December 31, 2025. During the year ended December 31, 2025, the exercise price of the first batch of 2024 Share Option Scheme was adjusted from RMB4.46 per share to RMB4.44 per share at June, 2025, and adjusted from RMB4.44 per share to RMB4.42 per share at October, 2025.

The outstanding share options as at December 31, 2023, 2024 and 2025 had a weighted average remaining contractual life of nil, 2.62 and 2.31 years, respectively.

The Group

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company). Accordingly, the above movements of share options and respective financial impacts have been adjusted reflecting the impact of the Acquisition under the Group's consolidated statements of changes in equity.

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Black-Scholes option pricing model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Black-Scholes option pricing model.

	Fair value of total share options and assumptions				
Grant date	**September 25, 2018**	**July 22, 2019**	**January 18, 2021**	**September 18, 2024**	**August 6, 2025**
Fair value of total share options at measurement date	RMB76.32 million	RMB17.88 million	RMB139.66 million	RMB1,325.66 million	RMB456.06 million
Per option exercise price	3.31	6.23	12.78	4.46	4.44
Option life (years)	2.73-5.73	2.14-5.14	2.33-4.33	2.00-3.00	2.00-3.00
Expected time to vest (years)	1.73-4.73	1.15-4.15	1.33-3.33	1.00-3.00	1.00-3.00
Expected dividends	1.56%	0.84%	1.65%	3.14%	0.21%
Expected volatility	43.71%-46.77%	44.22%-50.10%	48.59%-54.43%	29.56%-30.64%	34.25%-39.71%
Risk-free rate	3.22%-3.49%	2.63%-2.95%	2.62%-2.89%	1.50%-2.75%	1.50%-2.75%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under service and non-market performance condition. These conditions have not been taken into account in the grant date fair value measurement of the services received.

For the years ended December 31, 2023, 2024 and 2025, the Group (reversed)/recognised equity-settled share-based payment expenses of RMB(2,376,000), RMB51,739,000 and RMB200,307,000 for these share options in the consolidated statement of profit or loss respectively.

(b) Restricted shares

Apart from the share option schemes stated in note 28(a), the Company has a restricted shares scheme ("2018 Restricted Shares Scheme") which was approved by the Company on September 4, 2018, whereby the directors of the Company are authorised, at their discretion, to grant restricted shares to employees at certain consideration. The first batch of restricted shares under the 2018 Restricted Shares Scheme was granted on September 25, 2018, where 100,281,994 shares were granted to 630 staff at consideration of RMB1.66 per share. The second batch of restricted shares under the 2018 Restricted Shares Scheme was granted on July 22, 2019, where 24,364,400 shares were granted to 282 staff at consideration of RMB3.12 per share. The vesting conditions of each batch of restricted shares of the 2018 Restricted Shares Scheme is as below.

The Company has approved another restricted shares scheme ("2021 Restricted Shares Scheme") which was approved by the Company on January 18, 2021, whereby the directors of the Company are authorised, at their discretion, to grant restricted shares to employees at certain consideration. The first batch of restricted shares under the 2021 Restricted Shares Scheme was granted on January 18, 2021, where 14,255,339 shares were granted to 420 staff at consideration of RMB6.39 per share. The vesting conditions of each batch of restricted shares of the 2021 Restricted Shares Scheme is as below.

(i) The terms and conditions of the grants during the Track Record Period

	Number of instruments	Vesting conditions
Restricted shares granted to employees:		
– on September 25, 2018	100,281,994	First Batch of 2018 Restricted Shares Scheme: – 25%, 25%, 25% and 25% vest after 18 months, 30 months, 42 months and 54 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group
– on July 22, 2019	24,364,400	Second Batch of 2018 Restricted Shares Scheme: – 25%, 25%, 25% and 25% vest after 12 months, 24 months, 36 months and 48 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group
– on January 18, 2021	14,255,339	First Batch of 2021 Restricted Shares Scheme: – 30%, 30% and 40% vest after 16 months, 28 months and 40 months from the date of grant subject to performance guarantee mechanism with reference to net profit or revenue growth rate of the Group
Total shares granted	138,901,733	

(ii) The number and weighted average subscription prices of restricted shares

The Company

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average subscription price	Number of restricted shares	Weighted average subscription price	Number of restricted shares	Weighted average subscription price	Number of restricted shares
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*
Outstanding at the beginning of the year	3.47	30,497	–	–	–	–
Forfeited during the year	3.00	(30,497)	–	–	–	–
Outstanding at the end of the year	–	–	–	–	–	–

The Group

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company) after the Acquisition. Accordingly, the above movements of restricted shares and respective financial impacts have been adjusted to reflect the impact of the Acquisition under the Group's consolidated statement of changes in equity.

For the years ended December 31, 2023, the Group reversed equity-settled share-based payment expenses of RMB1,248,000 for these restricted shares in the consolidated statement of profit or loss respectively.

(c) Employee Stock Ownership Plan

The Company has implemented an employee stock ownership plan for 2022 ("2022 ESOP"), which was approved by the board of directors of the Company on August 25, 2022 and extraordinary general meeting of shareholders on September 15, 2022. On December 7, 2022 and November 5, 2024, the Company granted 45,975,000 shares and 30,034,872 shares of the Company, respectively. The shares are repurchased through the Company's special securities account for share repurchase.

On June 17, 2025 and September 16, 2025, the Company held the Board of Directors and General Meeting of Shareholders, respectively, which reviewed and approved the Proposal on the Company's 2025 Employee Stock Ownership Plan ("2025 ESOP"). On December 19, 2025, the Company granted 26,400,000 shares.The shares are repurchased through the Company's special securities account for share repurchase.

(i) The terms and conditions of the grants during the Track Record Period

	Number of instruments	Vesting conditions
ESOP granted to employees:		
– on December 7, 2022	45,975,000	First Batch of 2022 ESOP: – 30%, 30%, and 40% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group
– on November 5, 2024	30,034,872	First Batch of 2024 ESOP: – 40%, 30%, and 30% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group
– on December 19, 2025	26,400,000	First Batch of 2025 ESOP: – 30%, 30%, and 40% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group
	102,409,872	

(ii) The number and weighted average subscription prices of employee stock ownership plan

The Company

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*
Outstanding at the beginning of the year	2.36	45,975	2.36	32,183	3.06	48,425
Granted during the year	–	–	3.48	30,035	4.47	26,400
Released shares during the year	2.36	(13,775)	2.36	(13,736)	2.80	(30,351)
Forfeited during the year	2.36	(17)	2.36	(57)	2.36	(53)
Outstanding at the end of the year	2.36	32,183	3.06	48,425	4.07	44,421

The Group

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company) after the Acquisition. Accordingly, the above movements of restricted shares and respective financial impacts have been adjusted to reflect the impact of the Acquisition under the Group's consolidated statement of changes in equity.

For the years ended December 31, 2023, 2024 and 2025, the Group recognised equity-settled share-based payment expenses of RMB65,717,000, RMB49,457,000, and RMB116,601,000 for these ESOPs in the consolidated statement of profit or loss respectively.

29 OTHER FINANCIAL LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities measured at FVTPL (non-current)			
– Consideration payables *(note (i)) (note 32(e)) (note 33(e))*	–	–	544,762

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities measured at FVTPL (current)			
– Derivative financial instruments *(note 33(e))*	–	130,183	–
– Consideration payables *(note (i)) (note 32(e)) (note 33(e))*	–	–	224,006
	–	130,183	224,006
	–	130,183	768,768

Note:

(i) On October 30, 2025, the Company announced that it and its wholly-owned subsidiary, Lingyi Technology, have entered into an equity acquisition agreement with Venture Equities Management, Inc. ("VEM"), Ningbo Jialong Industry Co., Ltd. ("Ningbo Jialong"), Hangzhou Xiebang Enterprise Management Co., Ltd. ("Hangzhou Xiebang"), Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership) ("Ningbo Longjun"), and Zhejiang Xianglong Machinery Co., Ltd. (the "Target Company").

Lingyi Technology, the wholly-owned subsidiary of the Company, has acquired an aggregate of 96.15% equity interest in the Target Company held by VEM, Ningbo Jialong, Hangzhou Xiebang, and Ningbo Longjun for a cash consideration of RMB2,403,840,000. The consideration of the acquisition includes variable consideration contingent on its future performance and impairment conditions. Since the transaction consideration is paid in stages, the portion due within one year as of the end of 2025 is classified as current portion of other financial liabilities, while the portion due over one year as of the end of 2025 is classified as non-current portion of other financial liabilities.

30 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current taxation in respect of:			
– PRC	108,626	109,392	147,990
– Hong Kong	34,815	61,545	120,852
– Overseas	2,748	10,023	38,376
	146,189	180,960	307,218
Representing:			
Tax recoverable	(22,840)	(32,772)	(66,379)
Current taxation	169,029	213,732	373,597
	146,189	180,960	307,218

At the end of each reporting period, the Company has no current taxation balance.

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Impairment	Credit loss allowance	Unrealised inter-group profit	Accumulated tax losses	Deferred income	Business combination	Depreciation allowances in excess of the related depreciation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	69,224	60,371	160,940	676,681	50,752	(87,274)	(529,427)	(32,865)	368,402
Credited/(charged) to profit or loss *(note 8(a))*	3,154	2,035	(49,645)	(117,683)	13,138	12,208	(11,803)	9,728	(138,868)
(Charged)/credited to equity	–	–	–	–	–	–	–	9,107	9,107
Exchange adjustments	593	514	–	1,195	–	(256)	–	3	2,049
At December 31, 2023 and January 1, 2024	72,971	62,920	111,295	560,193	63,890	(75,322)	(541,230)	(14,027)	240,690
Credited/(charged) to profit or loss *(note 8(a))*	21,934	12,236	(4,029)	(91,603)	(4,225)	14,443	68,551	35,002	52,309
Charged to equity	–	–	–	–	–	–	–	–	–
Exchange adjustments	78	444	–	200	–	(4,139)	–	453	(2,964)
At December 31, 2024 and January 1, 2025	94,983	75,600	107,266	468,790	59,665	(65,018)	(472,679)	21,428	290,035
(Charged)/credited to profit or loss *(note 8(a))*	(5,445)	9,287	(9,797)	56,271	(1,806)	8,987	91,091	(16,322)	132,266
Charged to equity	–	–	–	–	–	–	–	438	438
Addition through acquisition of the subsidiaries *(note 32)*	15,044	17,554	1,925	10,760	8,234	(41,310)	(46,284)	5,398	(28,679)
Exchange adjustments	(840)	(821)	–	(404)	(56)	(221)	–	(134)	(2,476)
At December 31, 2025	103,742	101,620	99,394	535,417	66,037	(97,562)	(427,872)	10,808	391,584

(ii) ***Reconciliation to the consolidated statements of financial position***

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	630,109	676,936	732,460
Net deferred tax liabilities recognised in the consolidated statements of financial position	(389,419)	(386,901)	(340,876)
	240,690	290,035	391,584

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(s), as it is not probable that future taxable profits against which the losses and temporary differences can be utilised will be available in the relevant tax jurisdiction and entity, the Group has not recognised deferred tax assets in respect of following transactions:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cumulative tax losses	5,685,624	6,443,032	5,614,883
Deferred income	301,912	175,205	204,746
Expected credit losses	757,985	706,069	686,738
Impairment on non-current assets	488,628	464,998	408,799
Others	118	–	153,255
	7,234,267	7,789,304	7,068,421

The aforesaid tax losses that have not been recognised as deferred tax assets will be expired in the following years:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2024	304,942	–	–
2025	1,395,004	1,376,755	–
2026	960,109	882,391	839,956
2027	1,618,055	1,525,051	1,434,810
2028	1,407,514	1,342,146	1,243,239
2029	–	1,316,689	1,131,519
2030 and onwards	–	–	965,359
	5,685,624	6,443,032	5,614,883

31 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The Company

	Note	Share capital	Treasury shares	Capital reserve	Other reserves	Reserve for equity-settled share based payment	Statutory reserve	Retained earnings	Total equity
		(Note 31 (c)(ii)) RMB'000	*(Note 31 (d)) RMB'000*	*(Note 31 (e)(vi)) RMB'000*	*(Note 31 (e)(i)) RMB'000*	*(Note 31 (e)(ii)) RMB'000*	*(Note 31 (e)(iv)) RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023		7,038,675	(392,039)	20,967,669	(7,433)	155,058	769,311	4,108,737	32,639,978
Changes in equity for 2023									
Profit for the year		–	–	–	–	–	–	2,305,069	2,305,069
Other comprehensive income		–	–	–	(160)	–	–	–	(160)
Total comprehensive income for the year		–	–	–	(160)	–	–	2,305,069	2,304,909
Transfer		–	–	–	–	–	230,507	(230,507)	–
Equity-settled share-based compensation		–	–	–	–	61,589	–	–	61,589
Forfeiture of unvested restricted shares	*28b(ii)*	(30,497)	91,847	(71,086)	–	–	–	9,736	–
Dividend distribution	*31(b)*	–	–	–	–	–	–	(1,017,131)	(1,017,131)
Vesting of shares under ESOP	*31(d)*	–	62,993	(32,489)	–	–	–	–	30,504
Sale of unexercised shares under ESOP	*31(d)*	–	81	31	–	–	–	–	112
Dividend distribution to ESOP	*31(d)*	–	6,690	–	–	–	–	–	6,690
At December 31, 2023		7,008,178	(230,428)	20,864,125	(7,593)	216,647	999,818	5,175,904	34,026,651

	Note	Share capital	Treasury shares	Capital reserve	Other reserves	Reserve for equity-settled share based payment	Convertible Bonds	Statutory reserve	Retained earnings	Total equity
		(Note 31 (c)(ii)) RMB'000	(Note 31 (d)) RMB'000	(Note 31 (e)(vi)) RMB'000	(Note 31 (e)(i)) RMB'000	(Note 31 (e)(ii)) RMB'000	RMB'000	RMB'000	(Note 31 (e)(iv)) RMB'000	RMB'000
At January 1, 2024		7,008,178	(230,428)	20,864,125	(7,593)	216,647	–	999,818	5,175,904	34,026,651
Changes in equity for 2024										
Profit for the year		–	–	–	–	–	–	–	1,785,817	1,785,817
Other comprehensive loss		–	–	–	(36)	–	–	–	–	(36)
Total comprehensive income for the year		–	–	–	(36)	–	–	–	1,785,817	1,785,781
Transfer		–	–	–	–	–	–	178,582	(178,582)	–
Dividend distribution	31(b)	–	–	–	–	–	–	–	(209,690)	(209,690)
Issuance of convertible shares		–	–	–	–	–	45,701	–	–	45,701
Equity-settled share-based compensation		–	–	–	–	101,649	–	–	–	101,649
Repurchase of shares under ESOP	31(d)	–	(59,947)	–	–	–	–	–	–	(59,947)
Vesting of shares under ESOP	31(d)	–	62,401	(32,397)	–	–	–	–	–	30,004
Sale of unexercised shares under ESOP	31(d)	–	259	235	–	–	–	–	10	504
Dividend distribution to ESOP	31(d)	–	965	–	–	–	–	–	–	965
Share of other reserves of an associate		–	–	–	568	–	–	–	–	568
At December 31, 2024		7,008,178	(226,750)	20,831,963	(7,061)	318,296	45,701	1,178,400	6,573,459	35,722,186

	Note	Share capital	Treasury shares	Capital reserve	Other reserves	Reserve for equity-settled share based payment	Convertible Bonds	Statutory reserve	Retained earnings	Total equity
		(Note 31 (c)(ii)) RMB'000	(Note 31 (d)) RMB'000	(Note 31 (e)(vi)) RMB'000	(Note 31 (e)(i)) RMB'000	(Note 31 (e)(ii)) RMB'000	RMB'000	RMB'000	(Note 31 (e)(iv)) RMB'000	RMB'000
At January 1, 2025		7,008,178	(226,750)	20,831,963	(7,061)	318,296	45,701	1,178,400	6,573,459	35,722,186
Changes in equity for 2025										
Profit for the year		–	–	–	–	–	–	–	15,588	15,588
Other comprehensive income		–	–	–	6,714	–	–	–	–	6,714
Total comprehensive income for the year		–	–	–	6,714	–	–	–	15,588	22,302
Transfer		–	–	–	–	–	–	1,559	(1,559)	–
Dividend distribution	31(b)	–	–	–	–	–	–	–	(285,520)	(285,520)
Conversion of convertible bonds into shares		233,611	–	1,920,187	–	–	(45,628)	–	–	2,108,170
Redemption of convertible bonds		–	–	–	–	–	(73)	–	–	(73)
Equity-settled share-based compensation		–	–	–	–	316,971	–	–	–	316,971
Exercise of share options		64,272	–	221,097	–	–	–	–	–	285,369
Repurchase of shares under ESOP	31(d)	–	(319,912)	–	–	–	–	–	–	(319,912)
Vesting of shares under ESOP	31(d)	–	139,374	(58,722)	–	–	–	–	–	80,652
Sale of unexercised shares under ESOP.	31(d)	–	238	547	–	–	–	–	11	796
Dividend distribution under ESOP	31(d)	–	1,937	–	–	–	–	–	–	1,937
Share of other reserves of an associate		–	–	–	(290)	–	–	–	–	(290)
At December 31, 2025		7,306,061	(405,113)	22,915,072	(637)	635,267	–	1,179,959	6,301,979	37,932,588

(b) Dividends

During the year ended December 31, 2023, a dividend of RMB1,017,131,000 (RMB0.15 per ordinary share) was declared by the Company to its equity shareholders, of which RMB1,011,666,000 was paid during the year ended December 31, 2023. During the year ended December 31, 2024, a dividend of RMB209,690,000 (RMB0.03 per ordinary share) was declared by the Company to its equity shareholders, of which RMB208,804,000 was paid during the year ended December 31, 2024. During the year ended December 31, 2025, an aggregate dividend of RMB285,520,000 (RMB0.04 per ordinary share), comprising two dividends of RMB0.02 per ordinary share each, was declared by the Company to its equity shareholders, of which RMB285,520,000 was paid during the year ended December 31, 2025.

(c) Share capital

(i) The Group

The share capital presented on the Group's consolidated statement of changes in equity as at January 1, 2023 represented the paid-in capital of the accounting acquirer, Lingyi Technology. Subsequent changes of the share capital of the Company were adjusted by adopting the reverse acquisition accounting under IFRS 3 to account for the Acquisition.

(ii) The Company

	Year ended December 31,					
	2023		2024		2025	
	Number of shares		Number of shares		Number of shares	
	'000	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*
Ordinary shares, issued and fully paid:						
At January 1,	7,038,675	7,038,675	7,008,178	7,008,178	7,008,178	7,008,178
Conversion of convertible bonds into shares	–	–	–	–	233,611	233,611
Exercise of share options	–	–	–	–	64,272	64,272
Forfeiture of unvested restricted shares	(30,497)	(30,497)	–	–	–	–
At December 31,	7,008,178	7,008,178	7,008,178	7,008,178	7,306,061	7,306,061

The share capital presented on the Company's statement of changes in equity at as at January 1, 2023, December 31, 2023, December 31, 2024 and December 31, 2025 represented the share capital of the legal acquirer, the Company. The number of issued and fully paid ordinary shares of the Company was stated as above.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) Treasury Shares

During the years ended December 31, 2023, 2024 and 2025, the movement of the reserved treasury shares of the Company is as follows:

	Year ended December 31,					
	2023		2024		2025	
	Number of shares		Number of shares		Number of shares	
	'000	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*
At beginning of the year	94,116	392,039	49,827	230,428	48,425	226,750
Repurchase of shares	–	–	12,391	59,947	38,232	319,912
Forfeiture of unvested restricted shares	(30,497)	(91,847)	–	–	–	–
Vesting of shares under of ESOP	(13,775)	(62,993)	(13,736)	(62,401)	(30,351)	(139,374)
Sale of unexercised shares under ESOP	(17)	(81)	(57)	(259)	(53)	(238)
Dividend distribution to ESOP	–	(6,690)	–	(965)	–	(1,937)
At the end of the year	49,827	230,428	48,425	226,750	56,253	405,113

(e) Nature and purpose of reserves

(i) Other reserves

Other reserves of the Group mainly comprises of (i) a reserve for equity-settled share based payment of Lingyi Technology to directors and for services provided by certain employees prior to the Acquisition; (ii) share of associates' reserve in relation to equity-settled share-based transactions at the associates' level and (iii) Share of other comprehensive income of associates and joint ventures accounted for using the equity method (iv) a reserve for fair value of equity instruments at FVTOCI (non-recycling).

Other reserves of the Company mainly comprises of (i) share of associates' and joint ventures' reserve in relation to equity-settled share-based transactions at the associates' and joint ventures' level (ii) share of other comprehensive income of associates and joint ventures accounted for using the equity method, (iii) a reserve for fair value of equity instruments at FVTOCI (non-recycling).

(ii) Reserve for equity-settled share-based payment

The reserve comprises the portion of the grant date fair values of unexercised share options and the vested and unvested restricted shares granted to employees of the Group and the Company which were recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2(r)(ii).

(iii) Exchange reserve

The reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than presentation currency of the Group, i.e. RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2(v).

(iv) Statutory reserve

According to the PRC laws, the PRC subsidiaries of the Group and the Company are required to set up two statutory reserve funds, general reserve fund and staff general fund. General reserve fund was set up by appropriating at least 10% of the entities' annual profit after taxation, as determined under PRC regulations, until the balance of the fund equals to 50% of the entity's registered capital. This fund can be used to make up previous years' losses or to convert into paid-in capital. Transfer from retained earnings to staff general fund is made at the discretion of the board of directors of the entities.

Statutory reserve of the Group's consolidated statement of changes in equity represented the amount allocated for the Company and all subsidiaries and the statutory reserve of the Company's statement of changes in equity comprises of the reserve for the Company only.

(v) Retained earnings

Retained earnings of the Group also included capital reserve amounted to RMB13,384,685,000, RMB14,617,716,000 and RMB18,810,922,000 as at December 31, 2023, 2024 and 2025 respectively. The capital reserve mainly represented: (i) the difference between the consideration and the par value of the issued and paid up shares of Lingyi Technology; and (ii) the difference between the conversion price and the par value of the issued and paid up shares of the Company.

(vi) Capital reserve of the Company

The capital reserve of the Company mainly comprises of the difference between the consideration and the par value of the issued and paid up shares of the Company amounted to RMB20,864,125,000, RMB20,831,963,000 and RMB22,915,072,000 as at December 31, 2023, 2024 and 2025, respectively.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Except for the banking facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in note 25(a), the Group does not subject to externally imposed capital requirements during the Track Record Period.

32 ACQUISITION OF SUBSIDIARIES

The acquisition-date fair values of the identifiable assets and liabilities acquired through acquisition of subsidiaries during the Track Record Period as at their respective dates of acquisition are set out below:

	For the year ended December 31, 2023	For the year ended December 31, 2024
	Wenzhou Xinke Technology Co., Ltd.	Zhilian Precision Technology Dongtai Co., Ltd.
	(note a) *RMB'000*	*(note b)* *RMB'000*
Property, plant and equipment	6,845	5,735
Intangible assets	5,151	–
Cash and bank balances	34	2,184
Restricted cash	–	–
Inventories	2,903	2,108
Trade and other receivables	1,697	10,622
Trade and other payables	(11,434)	(5,469)
Short-term borrowings	–	(2,000)
Income tax payable	–	(34)
Lease liabilities	–	(1,212)
Other current assets	85	–
Fair value of identifiable net assets acquired	5,281	11,934
Less: Non-controlling interests	(1,769)	(4,177)
Fair value of the equity interests held before the acquisition date as of the acquisition date	–	(4,183)
Goodwill	1,336	(177)
Total consideration satisfied by cash	4,848	3,397
Less: consideration payables	–	(3,397)
Less: cash and cash equivalents acquired	(34)	(2,184)
Net cash flows used in acquisition	4,814	(2,184)

Note:

(a) On July 28, 2023, the Group entered into a sale and purchase agreement with Zhejiang Ruixu Technology Co., Ltd., an independent third-party vendor, to acquire a 66.5% equity interests in Wenzhou Xinke Technology Co., Ltd., with a total cash consideration of RMB4,848,000. Wenzhou Xinke Technology Co., Ltd. is principally engaged in the manufacturing and sales of automotive and low-altitude economy modules. The transaction was completed on November 30, 2023, and this acquisition has been accounted for as a business combination.

Included in the revenue and profit for the year ended December 31, 2023 are revenue of RMB1,521,000 and loss of RMB1,329,000, respectively, contributed from the Wenzhou Xinke Technology Co., Ltd. since the acquisition date. Had the acquisitions been completed on January 1, 2023, the Group's revenue and profit for the year would have been RMB34,171,411,000 and RMB2,012,368,000, respectively.

(b) As at December 31, 2023, the Group held a 49% interest in Zhilian Precision Technology Dongtai Co., Ltd. ("Zhilian Precision") and accounted for it as an associate. In March 2024, the Group acquired a further 16% interest, increasing its shareholding to 65%, and Zhilian Precision became a subsidiary from the acquisition date. The previously held 49% interest was remeasured at a fair value of RMB4,183,000. Since the acquisition date, revenue of RMB26,021,000 and profit of RMB4,022,000 from Zhilian Precision were consolidated for the year ended December 31, 2024. Had the acquisitions been completed on January 1, 2024, the Group's revenue and profit for the year would have been RMB44,259,483,000 and RMB1,761,389,000, respectively.

	For the year ended December 31, 2025		
	Dongguan Jieying Precision Silicone Technology Co., Ltd.*	Jiangsu Kooda Stern Automobile Technology Co., Ltd. and its subsidiaries	Zhejiang Xianglong Machinery Co., Ltd. and its subsidiaries
	(note c) *RMB'000*	*(note d)* *RMB'000*	*(note e)* *RMB'000*
Investment properties and other property, plant and equipment	164,557	528,244	1,082,281
Intangible assets	20,663	16,931	3,367
Cash and cash equivalents	20,930	29,630	179,718
Restricted cash	–	166,054	96,000
Inventories	67,003	366,328	314,992
Trade and other receivables	79,006	533,716	580,211

	For the year ended December 31, 2025		
	Dongguan Jieying Precision Silicone Technology Co., Ltd.*	Jiangsu Kooda Stern Automobile Technology Co., Ltd. and its subsidiaries	Zhejiang Xianglong Machinery Co., Ltd. and its subsidiaries
	(note c)	*(note d)*	*(note e)*
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	3,822	9,578	372
Investments in associates and joint ventures	–	–	73,398
Other current assets	20,533	116,424	178,681
Other non-current assets	792	1,028	27,345
Trade and other payables	(96,300)	(1,166,408)	(1,268,560)
Short-term borrowings	–	(155,522)	(168,589)
Non-current interest-bearing borrowings	–	(37,152)	–
Current tax payable	(2,918)	(44,498)	(20,721)
Lease liabilities	(65,032)	(21,484)	–
Deferred tax liabilities	(5,990)	(12,930)	(23,531)
Fair value of identifiable net assets acquired	207,066	329,939	1,054,964
Less: Non-controlling interest	(41,413)	(131,976)	(40,616)
Goodwill	165,231	42,037	1,364,993
Contingent consideration	13,116	–	–
Total consideration satisfied by cash	344,000	240,000	2,379,341
Less: consideration payables	–	–	(884,152)
Less: cash and cash equivalents acquired	(20,930)	(29,630)	(179,718)
Less: Exchange adjustments	97	–	–
Net cash flows used in acquisition	323,167	210,370	1,315,471

* The identifiable assets and liabilities of Jieying Technology are prepared on a consolidated basis including Anshun Investment and its subsidiary.

Note:

(c) Pursuant to the Purchase Agreements as disclosed in note 19, the consideration payable consists of two components for acquisition of 80% equity interest in Jieying Technology and Anshun Investment: (i) a cash consideration of RMB344,000,000, which was paid upon completion of the transactions, and (ii) a contingent cash consideration subject to the achievement of the committed net profit, which is the audited net profit of Jieying Technology and Anshun Investment for the fiscal year 2025 (based on a simulated consolidated reporting basis) shall be no less than RMB48,000,000. If the actual audited net profit for fiscal year 2025 falls below the Committed Net Profit, the Vendors shall compensate the Group in cash, proportionate to the respective equity interests transferred. Jieying Technology and Anshun Investment are principally engaged in the manufacturing and sales of automotive components. The transaction was completed on October 31, 2025, and this acquisition has been accounted for as a business combination.

As of December 31, 2025, the contingent cash consideration attributable to the shortfall of the Committed Net Profit amounted to RMB13,116,000, which is recognised as contingent consideration.

Under the Purchase Agreements, the Group has a contractual obligation to acquire the remaining 20% equity interests in Jieying Technology and Anshun Investment on or before June 30, 2029. The purchase price for such remaining equity interests is determined based on a valuation formula linked to the estimated net profit for the year 2028. Accordingly, the obligation was initially recognised at RMB91,000,000, being the present value of the expected purchase price at the acquisition date. The subsequent changes in present value of the obligation are recognised in profit or loss. As at December 31, 2025, the carrying amount of the obligation to acquire NCI was RMB91,531,000.

Included in the revenue and profit for the year ended December 31, 2025 are revenue of RMB79,602,000 and loss of RMB5,920,000, respectively, contributed from the Jieying Technology and Anshun Investment since the acquisition date. Had the acquisitions been completed on January 1, 2025, the Group's revenue and profit for the year would have been RMB51,651,466,000 and RMB2,353,411,000, respectively.

(d) In December 2025, the Group entered into a sale and purchase agreement with Changzhou Yourong Automotive Technology Co., Ltd., Zhejiang Wanliyang Enterprise Management Co., Ltd., Wuhu Hua'an Strategic Emerging Equity Investment Fund Partnership (Limited Partnership), Changzhou Qingfeng Yungang Investment Center (Limited Partnership), Changzhou Chaoling Venture Investment Partnership (Limited Partnership), and Jiangsu Xinbao Insurance-Linked Venture Investment Partnership (Limited Partnership), the independent third-parties, to acquire 60% equity interests in Jiangsu Kooda Stern Automobile Technology Co., Ltd., with a total cash consideration of RMB240,000,000. Jiangsu Kooda Stern Automobile Technology Co., Ltd. is principally engaged in the manufacturing and sales of automotive components. The transaction was completed on December 31, 2025, and this acquisition has been accounted for as a business combination.

As the acquisition was completed on December 31, 2025, no revenue or profit or loss contribution from Jiangsu Kooda Stern Automobile Technology Co., Ltd. and its subsidiaries was included in the consolidated statement of profit or loss of the Group for the year ended December 31, 2025.

Had the acquisitions been completed on January 1, 2025, the Group's revenue and profit for the year would have been RMB52,533,077,000 and RMB2,345,815,000, respectively.

(e) In October 2025, the Group entered into equity purchase agreements with Venture Equities Management, Inc. ("VEM"), Ningbo Jialong Industry Co., Ltd. ("Jialong Industry"), Hangzhou Xiebang Enterprise Management Co., Ltd. ("Hangzhou Xiebang") and Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership) ("Ningbo Longjun"), all independent third parties, to acquire 96.15% equity interest in Zhejiang Xianglong Machinery Co., Ltd. ("Xianglong Machinery"). Upon completion of the acquisition, Xianglong Machinery became a subsidiary of the Group.

Pursuant to the equity purchase agreements, the total cash consideration amounted to RMB2,379,341,000, comprising two components:

(i) phase I cash consideration of RMB1,610,573,000, of which RMB115,384,000 remained unpaid as at December 31, 2025 and is recognised as equity consideration payables. RMB115,384,000 is subsequently settled in January 2026; and

(ii) phase II contingent consideration of RMB793,267,000 is payable upon the achievement of committed net profit targets and impairment test arrangements for the years 2025, 2026 and 2027 on a consolidated basis. If no compensation is triggered under the profits commitments or impairment testing, the payment shall be made on the date of issuance of the annual special audit report for the performance commitment period, following joint written confirmation by both parties. As of December 31, 2025, the present value of contingent consideration is recognised in Note 29, of which the current liability portion amounts to RMB224,006,000 and the non-current liability portion amounts to RMB544,762,000.

Under the agreements, the vendors undertook certain profit guarantee and impairment compensation obligations in respect of acquisition of Xianglong Machinery, and the Group is entitled to offset any compensation payable to the vendors against the unpaid phase II consideration.

Xianglong Machinery is principally engaged in the manufacture and sale of automotive components. The transaction was completed on December 31, 2025, and this acquisition has been accounted for as a business combination.

As at December 31, 2025, the unpaid consideration includes RMB115,384,000 presented as consideration payables in note 24 and RMB768,768,000 as consideration payables in note 29, representing an aggregate unpaid amount of RMB884,152,000.

As the acquisition was completed on December 31, 2025, no revenue or profit or loss contribution from Zhejiang Xianglong Machinery Co., Ltd. and its subsidiaries was included in the consolidated statement of profit or loss of the Group for the year ended December 31, 2025.

Had the acquisitions been completed on January 1, 2025, the Group's revenue and profit for the year would have been RMB53,726,371,000 and RMB2,526,876,000, respectively.

(f) Common control business combination

On January 15, 2025, the Group acquired 82% equity interests at Suzhou Lingye Intelligent Technology Co., Ltd. at a cash consideration of RMB28,800,000 from Lingsheng Investment. As Lingsheng Investment had control over both the Company and the acquiree, the acquisition constituted a business combination under common control.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to bank deposits, trade and bills receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bank bills receivables, bank wealth management products and derivative financial instruments are limited because the counterparties are banks and financial institutions with sound credit ratings, for which the Group considers to have low credit risk. The Group does not provide any guarantees which would expose the Group to credit risk.

Trade and bills receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

The Group applies the simplified approach in calculating ECLs for trade and bills receivables. For customer subjected to individual assessment, the management has fully provided for impairment during the Track Record Period. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade and bills receivables are due within 30 to 120 days from the date of invoice. Normally, the Group does not obtain collateral from customers.

Except for those trade debtors which are assessed individually for loss allowance, the Group measures loss allowances for other trade debtors at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's difference customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables which are assessed collectively as at the end of the reporting periods:

	As at December 31, 2023		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	4.00%	7,770,419	(310,432)
Within 1 year	9.91%	1,477,001	(146,400)
1 year to 2 years	100.00%	5,060	(5,060)
Over 2 years	100.00%	3,488	(3,488)
	5.03%	9,255,968	(465,380)

	As at December 31, 2024		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	4.12%	10,412,917	(428,941)
Within 1 year	10.24%	1,627,264	(166,596)
1 year to 2 years	100.00%	6,614	(6,614)
Over 2 years	100.00%	3,104	(3,104)
	5.02%	12,049,899	(605,255)

	As at December 31, 2025		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	3.63%	12,554,856	(455,244)
Within 1 year	10.71%	1,870,431	(200,283)
1 year to 2 years	100.00%	10,719	(10,719)
Over 2 years	100.00%	8,025	(8,025)
	4.67%	14,444,031	(674,271)

These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Apart from the above trade debtors with ECLs which are collectively assessed using provision matrix, loss allowance of RMB46,091,000, RMB40,847,000 and RMB41,180,000 were provided for other credit-impaired trade debtors which were assessed individually and with gross carrying amount of RMB46,178,000, RMB40,847,000 and RMB41,180,000 as at December 31, 2023, 2024 and 2025 respectively.

Loss allowance for bills receivables are assessed individually. As at December 31, 2023, 2024 and 2025, loss allowance of RMB1,213,000, RMB838,000 and RMB1,870,000 were provided for commercial bills with gross carrying amount of RMB24,266,000, RMB16,758,000 and RMB51,128,000 respectively.

No loss allowance were made for bank bills receivables with gross carrying amount of RMB106,891,000, RMB88,568,000 and RMB204,687,000 as at December 31, 2023, 2024 and 2025 respectively, as the issuer banks are considered with good credit rating while there are no other significant specific factors such as economic environment and country risk that would adversely affect the credit evaluation.

Loss allowances of trade and bills receivables

Movement in the loss allowance account in respect of trade and bills receivables during the Track Record Period is as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	517,200	512,684	646,940
Amounts written off during the year	(346)	(13,863)	830
Recovery during the year	(80,117)	(26,653)	(82,613)
Impairment losses recognised during the year	68,399	173,969	156,496
Others	7,548	803	(4,332)
At end of the year	512,684	646,940	717,321

Loss allowances of other receivables

The expected credit loss rates in respect of other receivables are set out below.

	Stage 1	**Stage 2**	**Stage 3**
RMB ('000)	**12m ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**
At December 31, 2023			
Gross carrying amount	492,623	–	698,680
Allowance for impairment	55,782	–	698,011
Expected loss rate (%)	11.32%	–	99.90%
At December 31, 2024			
Gross carrying amount	416,478	–	601,749
Allowance for impairment	50,650	–	601,749
Expected loss rate (%)	12.16%	–	100.00%
At December 31, 2025			
Gross carrying amount	504,459	–	498,979
Allowance for impairment	78,192	–	498,979
Expected loss rate (%)	15.50%	–	100.00%

Loss allowances in respect of other assets are recorded using an allowance account unless the Group is satisfied that there is no reasonable expectation of further recoveries in which case the receivables are written off.

The movement in the loss allowances in respect of other receivables during the year is as follows.

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	961,139	753,793	652,399
Impairment losses recognised during the year	39,940	21,080	29,941
Amounts written off during the year	(3,936)	(1,147)	(99)
Recovery during the year	(243,659)	(119,684)	(104,876)
Others	309	(1,643)	(194)
At end of the year	753,793	652,399	577,171

Cash and cash equivalents, time deposits and restricted bank deposits

Cash and cash equivalents, time deposits and restricted bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents, time deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that is maintains sufficient reserves of cash and adequate committed funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities as at the end of the reporting periods of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates on, if floating, based on rates current at the end of the reporting periods) and the earliest date the Group can be required to pay.

For borrowings subject to repayment on demand clause which can be exercised at the bank's sole discretion, the maturity analysis shows the cash outflow based on expected repayment dates with reference to the schedule of repayments set out in the banking facilities letter and, separately, the impact to the timing of the cash outflow if the lenders were to invoke unconditional rights to call the loans with immediate effect.

	As at December 31, 2023					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	8,769,843	–	–	–	8,769,843	8,769,843
Short-term borrowings	1,500,338	–	–	–	1,500,338	1,486,671
Non-current interest-bearing bank borrowings	2,114,661	2,169,100	1,936,067	–	6,219,828	5,941,843
Lease liabilities	246,438	200,471	199,508	133,827	780,244	705,226
	12,631,280	2,369,571	2,135,575	133,827	17,270,253	16,903,583

	As at December 31, 2024					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	11,097,523	–	–	–	11,097,523	11,097,523
Short-term borrowings	930,570	–	–	–	930,570	929,239
Non-current interest-bearing bank borrowings	2,466,342	4,132,433	1,762,302	65,714	8,426,791	8,092,555
Bonds payables	499	9,048	101,812	2,288,462	2,399,821	2,076,516
Lease liabilities	322,481	192,225	242,792	137,042	894,540	797,032
	14,817,415	4,333,706	2,106,906	2,491,218	23,749,245	22,992,865

	As at December 31, 2025					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	15,272,750	–	103,351	–	15,376,101	15,364,282
Short-term borrowings	4,536,151	–	–	–	4,536,151	4,531,560
Non-current interest-bearing bank borrowings	4,683,882	2,314,463	2,062,742	32,074	9,093,161	8,810,478
Other financial liabilities	237,980	237,980	317,307	–	793,267	768,768
Lease liabilities	427,929	302,667	540,400	393,924	1,664,920	1,502,075
	25,158,692	2,855,110	3,023,800	425,998	31,463,600	30,977,163

	As at December 31, 2023 Contractual undiscounted cash inflow/(outflow)				
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derivatives settled at gross					
Forward foreign exchange contracts:					
– outflow	(772,014)	–	–	–	(772,014)
– inflow	776,009	–	–	–	776,009

	As at December 31, 2024 Contractual undiscounted cash inflow/(outflow)				
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derivatives settled at gross					
Forward foreign exchange contracts:					
– outflow	(4,816,228)	–	–	–	(4,816,228)
– inflow	4,791,390	–	–	–	4,791,390

	As at December 31, 2025 Contractual undiscounted cash inflow/(outflow)				
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derivatives settled at gross					
Forward foreign exchange contracts:					
– outflow	(2,811,258)	–	–	–	(2,811,258)
– inflow	2,813,941	–	–	–	2,813,941

(c) Interest rate risk

The Group's interest rate risk arises primarily from the Group's borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

Sensitivity analysis

It is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have increased/decreased the Group's loss or decreased/increased the Group's profit after tax and retained profits by approximately RMB46,411,000, RMB59,193,000 and RMB56,157,000 as at December 31, 2023, 2024 and 2025, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit before taxation that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments the Group held at the end of the report periods, the impact on the Group's profit before taxation is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the years ended December 31, 2023, 2024 and 2025.

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases which give rise to receivables, payables, short-term borrowings, interest-bearing borrowings and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euros ("EUR"), Hong Kong dollar ("HKD"), Japanese Yen ("JPY") and Australian Dollar ("AUD"), Swiss franc ("CHF"), Vietnamese Dong ("VND"), Turkish Lira ("TRY"), Singapore Dollar ("SGD"), Korean Won ("KRW"), Indian Rupee ("INR").

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting periods to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the period end date.

The Group's major foreign currency exposures are as follows:

	As at December 31, 2023			
	USD	EUR	HKD	VND
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	11,833,405	14,067	2,877	11,550
Cash and cash equivalents	362,477	2,116	3,261	760
Trade and other payables	(4,483,967)	(96,158)	(572)	(13,073)
Notional amounts of forward foreign exchange contracts	(7,932,226)	–	–	–
	(220,311)	(79,975)	5,566	(763)

	As at December 31, 2024			
	USD	EUR	HKD	VND
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	13,814,517	16,612	2,289	19,856
Cash and cash equivalents	1,209,557	4,546	4,451	3,545
Trade and other payables	(10,375,115)	(160,253)	(343)	(34,001)
Notional amounts of forward foreign exchange contracts	(467,246)	–	–	–
	4,181,713	(139,095)	6,397	(10,600)

	As at December 31, 2025			
	USD	EUR	HKD	VND
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	11,736,202	39,042	2,150	9,055
Cash and cash equivalents	903,505	13,292	8,933	6,314
Trade and other payables	(8,027,058)	(136,396)	(578)	(42,828)
Notional amounts of forward foreign exchange contracts	(175,720)	–	–	–
	4,436,929	(84,062)	10,505	(27,459)

(ii) Sensitivity analysis

A 5% strengthening of RMB against the following currencies at the reporting date would increase the loss or decreased the profit before taxation by the amounts shown below. This analysis assumes that all other variables, including interest rates, remain constant.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
USD	(11,016)	209,086	221,846
EUR	(3,999)	(6,955)	(4,203)
HKD	278	320	525
VND	(38)	(530)	(1,373)

A 5% weakening of RMB against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit before tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the years ended December 31, 2023, 2024 and 2025.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

Analysis on fair value measurement of financial instruments as at December 31, 2023, 2024 and 2025 are as follows:

	Fair value at December 31, 2023	Fair value measurement at December 31, 2023 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Bank wealth management products	26,606	–	26,606	–
– listed equity securities	238,568	227,568	11,000	–
– Derivative financial instrument	36,691	–	36,691	–
	301,865	227,568	74,297	–

	Fair value at December 31, 2023	Fair value measurement at December 31, 2023 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	238,991	–	–	238,991
– Unlisted equity securities	72,074	–	72,074	–
– Listed equity securities	1,760	–	1,760	–
	312,825	–	73,834	238,991

	Fair value at December 31, 2024	Fair value measurement at December 31, 2024 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Listed equity securities	210,986	204,026	6,960	–
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	248,517	–	–	248,517
– Unlisted equity securities	72,074	–	72,074	–
– Listed equity securities	1,728	–	1,728	–
	322,319	–	73,802	248,517
Financial liabilities:				
– Derivative financial instrument	130,183	–	130,183	–

	Fair value at December 31, 2025	Fair value measurement at December 31, 2025 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Bank wealth management products	1,495,521	–	1,495,521	–
– Listed equity securities	19,929	185	19,744	–
– Unlisted equity securities	18,127	–	18,127	–
– Contingent consideration	13,116	–	–	13,116
– Derivative financial instruments	836	–	836	–
	1,547,529	185	1,534,228	13,116
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	403,378	–	–	403,378
– Unlisted equity securities	83,149	–	83,149	–
– Listed equity securities	2,176	–	2,176	–
	488,703	–	85,325	403,378
Financial Liabilities:				
– Consideration payables	768,768	–	–	768,768

During the years ended December 31, 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, and between Level 2 and Level 3. The Group's accounting policy stipulates that transfers between levels of the fair value hierarchy shall be recognised at the end of the reporting period in which the transfers occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of other current financial assets in Level 2 is estimated by calculating the net present value of future cash flows, based on the return rates of bank wealth management products and forward exchange rates observable in the market at the end of the reporting period.

Certain listed equity securities and all unlisted equity securities were classified as Level 2 financial assets. Their fair values were determined using a market approach with reference to observable market data, including quoted prices in the National Equities Exchange and Quotations market, recent financing transactions and recent equity transfer transactions involving independent market participants. Such inputs are observable either directly or indirectly but do not represent unadjusted quoted prices in active markets for identical assets.

Valuation techniques and inputs used in Level 3 fair value measurements

Financial instruments whose fair value is classified in Level 3 mainly comprise notes receivables measured at FVTOCI, contingent consideration and consideration payables. Their fair values are determined using valuation techniques involving significant unobservable inputs, including discounted cash flow analysis and forecast net profit of the target company, where applicable.

	Fair value hierarchy	As at December 31, 2023	2024	2025	Valuation technique and key input	Unobservable input	Range	Sensitivity of fair value to the input
		RMB'000	*RMB'000*	*RMB'000*				
Financial assets at FVTOCI								
– Notes receivables measured at FVTOCI	Level 3	238,991	248,517	403,378	Discounted Cash Flow	Discounted Rate	0.01%-2.10%	A 10% increase/decrease in the discount rate as at December 31, 2023, 2024 and 2025 would result in a corresponding decrease or increase in the fair value of the relevant assets by RMB3,126,000/RMB2,564,000, RMB3,251,000/RMB2,666,000 and RMB5,249,000/RMB4,305,000, respectively.
Financial assets at FVTPL								
– Contingent consideration	Level 3	–	–	13,116	Net profit of the target company	consolidated net profit of the target company	RMB32,507,000	A 10% increase/decrease in the consolidated net profit of the target company as at December 31, 2025 would result in a corresponding decrease or increase in the fair value of the relevant assets by RMB2,752,000.
Financial liabilities at FVTPL								
– Consideration payables	Level 3	–	–	768,768	Discounted Cash Flow	Discounted Rate	2.34%	A 10% increase/decrease in the discount rate as at December 31, 2025 would result in a corresponding decrease/increase in the fair value of the relevant liabilities by RMB2,389,000/ RMB2,400,000, respectively.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at December 31, 2023, 2024 and 2025.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended December 31, 2023, 2024 and 2025:

	Notes receivables measured at FVTOCI	Contingent consideration	Consideration payables
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	230,329	15,030	–
Additions	8,662	–	–
Disposal	–	(15,030)	–
As at December 31, 2023	238,991	–	–
As at January 1, 2024	238,991	–	–
Additions	9,526	–	–
As at December 31, 2024	248,517	–	–

	Notes receivables measured at FVTOCI	Contingent consideration	Consideration payables
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2025	248,517	–	–
Additions	154,861	13,116	768,768
Disposals	–	–	–
As at December 31, 2025	403,378	13,116	768,768

34 COMMITMENTS

Capital commitments outstanding at the end of the reporting periods not provided for in the Track Record Period were as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted for			
– Property, plant and equipment	3,082,534	3,686,788	3,364,636
– Subscribed capital contribution *(note)*	93,704	–	1,397,629
Authorised but not contracted for			
– Property, plant and equipment	717,888	498,691	520,304
– Subscribed capital contribution	–	–	50,000
	3,894,126	4,185,479	5,332,569

Note: The subscribed capital contribution mainly represents:

(a) Included in the Group's contracted commitments for subscribed capital contribution as at December 31, 2025 was a commitment of RMB442,629,000 in respect of the proposed acquisition relating to Tritree Metal (Shenzhen) Co., Ltd. pursuant to a share purchase agreement entered into in September 2025. In April 2026, the relevant agreement was amended and supplemented, and the consideration payable under the amended arrangements was revised to RMB396,730,000. Completion of the transaction remains subject to satisfaction of the conditions precedent under the relevant agreements.

(b) The Group entered into share purchase agreements on December 22, 2025 to acquire 35% equity interest of Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司) (the "Readore") from its then shareholders, which are independent third parties and acquire 17.78% of voting rights of Readore from Zhang Qiang who is an independent third party, at an aggregate cash consideration of RMB875,000,000.

The Group was not committed to enter into any material new lease that is not yet commenced at the end of the reporting periods during the Track Record Period.

35 MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, transactions with the following parties are considered to be related party transactions of the Group:

Name of Related Party	Relationship with the Group
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	Indirectly controlled by the controlling shareholder
Lingsheng Investment and its subsidiaries	Controlled by the controlling shareholder
Guangdong Nbtm New Materials Co., Ltd.	Significantly influenced by a subsidiary of the Company
Zhilian Precision	Former Significantly influenced by a subsidiary of the Company (became a subsidiary in March 31, 2024)
HG Automation Technology (Suzhou) Ltd.	Significantly influenced by the controlling shareholder of the company
Shenzhen Xiaochen Technology Co., Ltd.	Significantly influenced by the controlling shareholder of the company
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	Significantly influenced by a subsidiary of the Company
Dongguan Zhongke Dihong Artificial Intelligence Technology Co., Ltd.	Significantly influenced by closely related family members of the key former management personnel of the Company

Name of Related Party	Relationship with the Group
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	Significantly influenced by a subsidiary of the Company
Shenzhen Linglue Investment Development Co., Ltd.	Controlled by the controlling shareholder and its close family members
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	Significantly influenced by a subsidiary of the Company
Tianjin PM Laser Industries Co., Ltd.	Formerly indirectly controlled by the controlling shareholder
Lingchao Enterprise Management Consulting (Hainan) Co., Ltd.	Former joint venture of the Company
DBG Electronics (Investment) Limited and its subsidiaries	The controlling shareholder and its closely related family member of the controlling shareholder serving as directors, supervisors and senior management
Zeng Fangqin	Controlling shareholder
Zeng Fangling	Family member of the controlling shareholder
Zeng Fangping	Family member of the controlling shareholder
Zeng Fanghua	Family member of the controlling shareholder
Sizheke Precision Machinery Manufacturing (Changzhou) Co., Ltd.	Former subsidiary of the Company (the equity interest was disposed of in December 31, 2022)
Jiaxing Chaoxi Hehou Equity Investment Partnership Enterprise (Limited Partnership)	Significantly influenced by a subsidiary of the Company

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Directors' fee	450	451	485
Salaries, allowance and benefits in kind	13,900	15,332	16,421
Discretionary bonus	3,944	3,698	2,522
Retirement scheme contributions	89	96	82
Equity settled share-based payment	5,160	9,457	24,311
	23,543	29,034	43,821

Total remuneration is included in "Staff costs" (see note 7(b)).

(b) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in the Historical Financial Information, the Group entered into the following material related party transactions during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	384,343	472,455	498,926
Lingsheng Investment and its subsidiaries	3,794	746	–
Guangdong Nbtm New Materials Co., Ltd.	408	427	565
Zhilian Precision	15,814	5,798	–
HG Automation Technology (Suzhou) Ltd.	42,567	24,405	34,061
Shenzhen Xiaochen Technology Co., Ltd.	391	3	4
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	1,199	450	108
Dongguan Zhongke Dihong Artificial Intelligence Technology Co., Ltd.	7,867	–	–
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	31	–	–
	456,414	504,284	533,664

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rendering service			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	1,910	39	14
Lingsheng Investment and its subsidiaries	51	–	–
Zhilian Precision	–	14	–
HG Automation Technology (Suzhou) Ltd.	–	730	1,245
	1,961	783	1,259
Provision of service			
Shenzhen Linglue Investment Development Co., Ltd.	–	4	–
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	–	155	165
HG Automation Technology (Suzhou) Ltd.	–	1	2
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	3,360	2,741	2,757
Guangdong Nbtm New Materials Co., Ltd.	–	13	11
Zhilian Precision	–	1	–
	3,360	2,915	2,935
Sales of goods			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	101	3,656	196
Lingsheng Investment and its subsidiaries	529	654	14
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	8,595	9,267	8,247
Guangdong Nbtm New Materials Co., Ltd.	17	30	–
Tianjin PM Laser Industries Co., Ltd.	62	22	–
Nanjing Kuke Electronic Technology Co., Ltd.and its subsidiaries	56,442	54,140	41,280
Zhilian Precision	255	59	–
	66,001	67,828	49,737
Rental income			
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	2,177	2,021	2,143
HG Automation Technology (Suzhou) Ltd.	7	12	11
Lingsheng Investment and its subsidiaries	93	–	–
Lingchao Enterprise Management Consulting (Hainan) Co., Ltd.	3	–	–
Zhilian Precision	28	14	–
	2,308	2,047	2,154
Rental expenses:			
Lingsheng Investment and its subsidiaries	543	–	1,851
DBG Electronics (Investment) Limited and its subsidiaries	–	7,309	17,426
Zeng Fangqin	–	–	797
	543	7,309	20,074
Purchase of assets:			
Lingsheng Investment and its subsidiaries	7,706	3,405	234
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	1,416	13,696	386
	9,122	17,101	620

(c) Balances with related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables:			
Lingsheng Investment and its subsidiaries	1,031	294	–
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	150	170	259
Guangdong Nbtm New Materials Co., Ltd.	20	–	–
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	4,904	4,044	4,717
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	20,216	19,669	8,215
HG Automation Technology (Suzhou) Ltd.	1	–	–
Tianjin PM Laser Industries Co., Ltd.	50	–	–
Zhilian Precision	71	–	–
	26,443	24,177	13,191
Prepayments, other receivables and other assets:			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	1,150	308	349
HG Automation Technology (Suzhou) Ltd.	7,742	–	765
Jiaxing Chaoxi Hehou Equity Investment Partnership Enterprise (Limited Partnership)	–	699	–
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	–	11,666	–
Lingsheng Investment and its subsidiaries(1)	79,994	–	203
Shenzhen Linglue Investment Development Co., Ltd.(1)	50,000	–	–
DBG Electronics (Investment) Limited and its subsidiaries	–	–	4,210
	138,886	12,673	5,527

Notes:

(1) The balances due from Lingsheng Investment and its subsidiaries and Shenzhen Linglue Investment Development Co., Ltd. as at December 31, 2023 included non-trade balances arising from the retrospective adjustments of financial information for historical periods in accordance with the accounting policy for business combination under common control subsequent to the acquisition of Suzhou Lingye Intelligent Technology Co., Ltd. in January 2025 (note 2(c)(2) & note 32(f)). Such non-trade balances had been fully settled as at December 31, 2025. The remaining balance due from Lingsheng Investment and its subsidiaries as at December 31, 2025 was trade- related in nature and arose in the ordinary course of business.

In relation to the above non-trade balances, for the year ended December 31, 2024, the change in the Group's prepayments, other receivables and other assets included non-cash movements of RMB119,992,701 arising from a debt restructuring arrangement with related parties.

(2) Save as disclosed above, all other related-party balances presented above were trade in nature and arose in the ordinary course of business.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and other payables:			
Lingsheng Investment and its subsidiaries(1)	174,578	32,825	141
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	73,202	86,644	77,152
Guangdong Nbtm New Materials Co., Ltd.	69	192	158
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	45	105	54
HG Automation Technology (Suzhou) Ltd.	4,648	11,695	15,774
Zhilian Precision	7,554	–	–
Shenzhen Xiaochen Technology Co., Ltd.	22	1	–
Sizheke Precision Machinery Manufacturing (Changzhou) Co., Ltd.	5	–	–
	260,123	131,462	93,279

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities:			
HG Automation Technology (Suzhou) Ltd.	–	1	–
	–	1	–

Notes:

(1) The balances with Lingsheng Investment and its subsidiaries included in other payables comprised both trade and non-trade balances during the Track Record Period. All non-trade balances due to Lingsheng Investment and its subsidiaries had been fully settled as at December 31, 2025, and the remaining balance as at December 31, 2025 was trade in nature.

Additions to such non-trade balances amounted to RMB55.0 million, RMB6.5 million and nil for the years ended December 31, 2023, 2024 and 2025, respectively. During the year ended December 31, 2024, movements in such non-trade balances also included a non-cash movement of RMB119,992,701 arising from a debt restructuring arrangement with related parties.

(2) Save as disclosed above, all other related-party balances presented above were trade in nature and arose in the ordinary course of business.

(d) Guarantees issued by related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Guarantees issued by the controlling shareholder and immediate holding company to the Group	11,558,478	–	–

As at December 31, 2023 certain banking loans granted to the Group in note 25 and bonds payables issued by the Group in note 26 were guaranteed by Ms. Zeng, the controlling shareholder of the Company, Mr. Wang Nandong, a shareholder of the Company, and Lingsheng Investment, the immediate holding company (jointly/respectively), and pledged with the equity interest in the Company held by Lingsheng Investment. As at December 31, 2025, there were no guarantees issued by the controlling shareholder and immediate holding company to the Group.

36 SUBSEQUENT EVENTS AFTER THE TRACK RECORD PERIOD

(a) The Group entered into share purchase agreements on December 22, 2025 to acquire 35% equity interest of Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司) (the "Readore") from its then shareholders, which are independent third parties, and acquire 17.78% of voting rights of Readore from Zhang Qiang who is an independent third party, at an aggregate cash consideration of RMB875,000,000. The acquisition of Readore was completed in January 2026. Upon the completion of the acquisitions, the Group held 52.78% of voting rights of Readore. Readore became a subsidiary of the Group with effect from January 31, 2026, and its financial results have been consolidated commencing from February 1, 2026. The acquisition-date fair values of the identifiable assets acquired and liabilities assumed were as follows:

	RMB'000
	(unaudited)
Investment properties and other property, plant and equipment	50,602
Intangible assets	134,293
Right-of-use assets	51,244
Cash and cash equivalents	48,789
Restricted bank deposits	1,103
Inventories	111,278
Trade and other receivables	459,932
Other current assets	14,951
Other non-current assets	3,988
Trade and other payables	(344,726)
Short-term borrowings	(159,161)
Non-current interest-bearing borrowings	(7,968)
Other financial liabilities	(17,533)
Current tax payable	(10,935)
Lease liabilities	(55,630)
Contract liabilities	(24,164)

	RMB'000
	(unaudited)
Deferred tax liabilities	(8,405)
Fair value of identifiable net assets acquired	247,658
Less: Non-controlling interest	(156,644)
Goodwill	783,986
Total consideration satisfied by cash	875,000
Less: cash and cash equivalents acquired	(48,789)
Net cash flows used in acquisition	826,211

(b) On March 26, 2026, the board of directors of the Company approved the 2025 profit distribution plan. Pursuant to the plan, based on the total share capital as of March 10, 2026 (after deducting the shares held in the special repurchase account), the Company will distribute a cash dividend of RMB0.20 per 10 shares (tax inclusive). No bonus shares or capital reserve conversion will be involved.

On April 20, 2026, the 2025 profit distribution plan was approved by the Shareholders' Meeting. Pursuant to the plan, based on the total share capital as of March 10, 2026 (after deducting the shares held in the special repurchase account), the Company will distribute a cash dividend of RMB0.20 per 10 shares (tax inclusive). No bonus shares or capital reserve conversion will be involved. The total cash dividend to be distributed amounts to RMB145,483,000 (tax inclusive).

37 DISPOSALS OF SUBSIDIARIES

All transactions of disposal of subsidiaries during the Track Record Period had no significant impact on the Group's consolidated financial statements.

38 CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, the Group has no significant contingent liability that in the opinion of the directors of the Company would have material impact to the Group's financial position.

39 IFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19 and its amendments	Subsidiaries without public accounting disclosure[2]
Annual Improvements to IFRSs	Amendments to Accounting Standards — Volume 11[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]

1 Effective for accounting periods beginning on or after January 1, 2026

2 Effective for accounting periods beginning on or after January 1, 2027

3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statements of comprehensive income.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to December 31, 2025.

The following is the text of a report set out on pages IA-1 to IA-2, received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. The information set out below is the unaudited interim financial information of the Group for the three months ended March 31, 2026, and does not form part of the Accountant's Report from the reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, as set out in Appendix I to this prospectus, and is included herein for information purpose only.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF LINGYI ITECH (GUANGDONG) COMPANY

Introduction

We have reviewed the interim financial information of Lingyi iTech (Guangdong) Company (the "Company") and its subsidiaries (together, the "Group") set out on pages IA-3 to IA-28, which comprises the condensed consolidated statement of financial position as of March 31, 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three months ended March 31, 2026, and explanatory notes (the "Interim Financial Information"). The directors of the Company are responsible for the preparation and presentation of these Interim Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this Interim Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE 2410") issued by the International Auditing and Assurance Standards Board ("IAASB"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The comparative condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three months ended March 31, 2025 and relevant explanatory notes disclosed in the Interim Financial Information have not been reviewed in accordance with ISRE 2410.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
KWAN, Shui Cheung, Esmond
Practising Certificate Number: P05371
Hong Kong
June 17, 2026

Condensed consolidated statements of profit or loss for the three months ended March 31, 2026

	Note	Three months ended March 31, 2026	Three months ended March 31, 2025
		RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Revenue	*3*	12,642,966	11,494,278
Cost of sales		(10,790,535)	(10,016,451)
Gross profit	*4*	1,852,431	1,477,827
Other income and other gains/(losses), net	*5*	(103,700)	186,200
Selling and distribution expenses		(121,399)	(90,086)
Administrative and other operating expenses		(542,482)	(433,697)
Research and development expenses	*6(c)*	(688,637)	(517,425)
Provision for impairment losses on non-current assets		(890)	(13,829)
Reversal of impairment losses on financial and contract assets		99,787	144,018
Operating profit		495,110	753,008
Finance costs	*6(a)*	(96,682)	(86,122)
Share of results of associates		31,681	(45)
Profit before taxation		430,109	666,841
Income tax	*7*	(29,303)	(98,903)
Profit for the period		400,806	567,938
Profit for the period attributable to:			
Owners of the Company		391,642	565,181
Non-controlling interests ("NCI")		9,164	2,757
		400,806	567,938
Earnings per share	*8*		
Basic (RMB)		0.05	0.08
Diluted (RMB)		0.05	0.08

The accompanying notes form part of the Interim Financial Information.

Condensed consolidated statements of comprehensive income for the three months ended March 31, 2026

	Three months ended March 31,	
	2026	**2025**
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Profit for the period	400,806	567,938
Other comprehensive (loss)/income for the period, net of tax		
Items that will be reclassified subsequently to profit or loss:		
– Other comprehensive loss from associates under equity method	(5,505)	(2,747)
– Exchange differences on translation of financial information of foreign operations	(140,214)	18,073
Item that may not be reclassified subsequently to profit or loss:		
– Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)	(168)	(640)
– Remeasurements of the net defined benefit obligation	1,261	–
Total comprehensive income for the period	256,180	582,624
Total comprehensive income for the period attributable to:		
Owners of the Company	247,149	579,867
Non-controlling interests	9,031	2,757
Total comprehensive income for the period	256,180	582,624

The accompanying notes form part of the Interim Financial Information.

Condensed consolidated statements of financial position at March 31, 2026

	Note	As at March 31, 2026	As at December 31, 2025
		RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Non-current assets			
Investment properties	*9*	269,142	275,232
Property, plant and equipment	*9*	20,830,276	20,337,446
Intangible assets	*10*	264,588	144,781
Goodwill	*11*	3,487,655	2,703,669
Interests in associates		788,455	796,951
Prepayments	*14*	341,404	334,150
Other non-current financial assets	*12*	104,228	103,452
Deferred tax assets		768,953	732,460
Time deposits		1,000,307	1,190,064
		27,855,008	26,618,205
Current assets			
Inventories	*13*	6,977,163	7,189,891
Contract assets		1,557	80
Trade and other receivables	*14*	14,423,337	15,829,762
Other current financial assets	*12*	1,462,659	1,932,780
Tax recoverable		51,184	66,379
Restricted bank deposits	*15*	738,473	735,617
Cash and cash equivalents		4,658,520	5,447,511
Time deposits		65,263	80,225
		28,378,156	31,282,245
Current liabilities			
Short-term borrowings	*17*	9,012,534	9,042,555
Trade and other payables	*16*	13,544,938	16,366,558
Contract liabilities	*16*	52,425	92,664
Lease liabilities — current-portion		424,051	385,133
Current taxation		364,517	373,597
Other current financial liabilities	*18*	536,555	224,006
		23,935,020	26,484,513
Net current assets		4,443,136	4,797,732
Total assets less current liabilities		32,298,144	31,415,937

Condensed consolidated statements of financial position at March 31, 2026 (continued)

	Note	**As at March 31, 2026**	**As at December 31, 2025**
		RMB'000 (unaudited)	*RMB'000 (audited)*
Non-current liabilities			
Interest-bearing borrowings	*17*	4,832,079	4,299,483
Other non-current payables	*16*	749,297	755,926
Lease liabilities — non-current portion		1,179,946	1,116,942
Other non-current financial liabilities	*18*	318,455	544,762
Deferred tax liabilities		328,436	340,876
		7,408,213	7,057,989
NET ASSETS		24,889,931	24,357,948
CAPITAL AND RESERVES			
Share capital	*20(a)*	1,831,307	1,830,829
Reserves		22,562,273	22,209,313
Total equity attributable to equity shareholders of the Company		24,393,580	24,040,142
Non-controlling interests		496,351	317,806
TOTAL EQUITY		24,889,931	24,357,948

The accompanying notes form part of the Interim Financial Information.

Condensed consolidated statement of changes in equity for the three months ended March 31, 2026

	Note	Share capital	Treasury Shares	Reserve for equity-settled share base payment	Other reserves	Exchange reserve	Equity component of convertible bonds	Statutory reserve	Retained earnings	Sub-totals	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2026 (unaudited)		1,830,829	(405,113)	657,015	321,622	(249,343)	–	3,074,210	18,810,922	24,040,142	317,806	24,357,948
Changes in equity for the period:												
Profit for the period (unaudited)		–	–	–	–	–	–	–	391,642	391,642	9,164	400,806
Other comprehensive loss (unaudited)		–	–	–	(4,412)	(140,081)	–	–	–	(144,493)	(133)	(144,626)
Total comprehensive (loss)/income for the period (unaudited)		–	–	–	(4,412)	(140,081)	–	–	391,642	247,149	9,031	256,180
Capital injection by NCI (unaudited)		–	–	–	–	–	–	–	(644)	(644)	12,644	12,000
Equity-settled share-based compensation (unaudited)	*19*	–	–	98,301	–	–	–	–	–	98,301	204	98,505
Exercise of share options (unaudited)		478	–	–	–	–	–	–	7,956	8,434	–	8,434
Share of other reserve of associates (unaudited)		–	–	–	198	–	–	–	–	198	–	198
Acquisition of a subsidiary (unaudited)	*21*	–	–	–	–	–	–	–	–	–	156,644	156,644
Others (unaudited)		–	–	–	–	–	–	–	–	–	22	22
At March 31, 2026 (unaudited)		1,831,307	(405,113)	755,316	317,408	(389,424)	–	3,074,210	19,209,876	24,393,580	496,351	24,889,931
At January 1, 2025 (audited)		1,756,179	(226,750)	340,677	354,218	(168,983)	45,701	3,067,577	14,617,716	19,786,335	62,646	19,848,981
Changes in equity for the period:												
Profit for the period (unaudited)		–	–	–	–	–	–	–	565,181	565,181	2,757	567,938
Other comprehensive (loss)/income (unaudited)		–	–	–	(3,387)	18,073	–	–	–	14,686	–	14,686
Total comprehensive (loss)/income for the period (unaudited)		–	–	–	(3,387)	18,073	–	–	565,181	579,867	2,757	582,624
Equity-settled share-based compensation (unaudited)	*19*	–	–	75,580	–	–	–	–	–	75,580	73	75,653
Business combinations under common control (unaudited)		–	–	–	–	–	–	–	(33,483)	(33,483)	4,683	(28,800)
Others (unaudited)		–	–	657	–	–	–	–	–	657	(173)	484
At March 31, 2025 (unaudited)		1,756,179	(226,750)	416,914	350,831	(150,910)	45,701	3,067,577	15,149,414	20,408,956	69,986	20,478,942

The accompanying notes form part of the Interim Financial Information.

Condensed consolidated cash flow statements for the three months ended March 31, 2026

	Note	Three months ended March 31, 2026	Three months ended March 31, 2025
		RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Operating activities			
Cash generated from operations	*15(a)*	884,586	906,015
Income tax paid		(92,091)	(92,142)
Net cash generated from operating activities		792,495	813,873
Investing activities			
Receipt of bank wealth management products and time deposits		2,122,060	–
Proceeds from disposal of financial assets at fair value through profit or loss		112,242	–
Interest received		58,363	13,149
Proceeds from disposal of investments in associates		15,560	–
Dividends received from associates and financial assets		4,800	–
Proceeds from disposal of items of property, plant and equipment, intangible assets		3,513	107
Payment for the purchase of property, plant and equipment, intangible assets		(1,428,029)	(1,060,148)
Payment of bank wealth management products and time deposits		(1,446,107)	(756,719)
Payment for acquisition of a subsidiary, net of cash acquired	*21*	(826,211)	–
Payment of consideration for acquisition of a subsidiary in previous year		(115,384)	–
Additional capital injection in associates		(1,000)	–
Payment of the deposit for derivative financial instruments		(6,048)	–
Payments for acquisition of financial assets at fair value through profit or loss		–	(552)
Net cash used in investing activities		(1,506,241)	(1,804,163)

Condensed consolidated cash flow statements for the three months ended March 31, 2026 (continued)

		Three months ended March 31,	
	Note	**2026**	**2025**
		RMB'000 (unaudited)	*RMB'000 (unaudited)*
Financing activities			
Proceeds from new borrowings	*17*	3,974,095	1,700,027
Contributions from NCI		12,000	–
Proceeds from share-based payment arrangements		8,434	–
Repayment of borrowings	*17*	(3,638,757)	(1,141,064)
Payments of deposits with financial institutions		(104,520)	(100,334)
Payment of withholding tax on individual income tax on share-based payment arrangements and others		(102,775)	(10,016)
Interests paid		(61,437)	(55,642)
Principal and interest of lease rentals paid		(76,024)	(70,063)
Payment for listing expense		(4,952)	–
Payment to related parties		–	(29,500)
Payment for acquisition of a subsidiary under common control		–	(28,800)
Net cash generated from financing activities		6,064	264,608
Net decrease in cash and cash equivalents		(707,682)	(725,682)
Effect of exchange rate changes		(81,309)	(13,889)
Cash and cash equivalents at the beginning of the period		5,447,511	6,038,980
Cash and cash equivalents at the end of the period		4,658,520	5,299,409
Restricted bank deposits		738,473	425,760
Cash at bank and on hand		5,396,993	5,725,169

The accompanying notes form part of the Interim Financial Information.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION OF THE GROUP

Lingyi iTech (Guangdong) Company (the "Company") was incorporated in the People's Republic of China (the "PRC" or "China") in 1975 as an enterprise owned by the whole people and reformed to a joint stock company with limited liability under the Company Law of the PRC in 2008. The directors consider the immediate holding parent and ultimate controlling party of the Group to be Lingsheng Investment (Jiangsu) Co., Ltd. ("Lingsheng Investment") (領勝投資(江蘇)有限公司) (formerly known as Lingsheng Investment (Shenzhen) Co., Ltd. (領勝投資(深圳)有限公司) ("Lingsheng Investment") and Ms. Zeng Fangqin ("Ms. Zeng"), respectively, Lingsheng Investment (Jiangsu) Co., Ltd. is established in PRC.

The Company is principally engaged in investment holding. The Company and its subsidiaries (together, the "Group") are principally engaged in the business of manufacturing and sales of electronic devices, Automotive and Advanced Air Mobility (hereinafter referred to as "Automotive and AAM") and others.

The A shares of the Company have been listed on the Shenzhen Stock Exchange (002600) since July 2011. The address of the Company's registered office and its principal place of business is No. 8 Longwan Road, Jiangmen City, Guangdong Province.

In this Interim Financial Information, certain English names of the companies referred herein represent the management's best effort to translate the Chinese names of the companies as no English name has been registered.

The Interim Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2 BASIS OF PREPARATION

This interim financial information, comprising the condensed consolidated statement of financial position as at March 31, 2026, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the three months ended March 31, 2026, (collectively referred to as the "Interim Financial Information"), has been prepared in accordance with IAS 34, Interim Financial Reporting issued by the International Accounting Standard Board ("IASB").

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the historical financial information for the years ended December 31, 2023, 2024 and 2025 (the "Historical Financial Information") as disclosed in Appendix I to the prospectus issued by the Company.

This Interim Financial Information contains consolidated financial statements and selected explanatory notes. The selected notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the latest consolidated financial statements as at and for the year ended December 31, 2025. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2A APPLICATION OF IFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's Interim Financial Information:

Amendments to IFRS 7 and IFRS 9 . .	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 7 and IFRS 9 . .	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to IFRSs	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Information.

3 REVENUE

The principal activities of the Group are principally engaged in the business of manufacturing and sales of electronic devices, Automotive and AAM and others. Further details regarding the Group's principal activities are disclosed in note 4.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Revenue from contracts with customers within the scope of IFRS15		
Disaggregated by major products		
Electronic devices	10,323,184	10,338,100
Automotive and AAM	1,681,713	506,681
Others*	629,974	642,565
	12,634,871	11,487,346
Revenue from other sources		
Gross rentals from investment properties	6,298	5,639
Gross rentals from other properties	1,797	1,293
	8,095	6,932
	12,642,966	11,494,278

* Others mainly comprise and are recognised at a point in the revenue from clean energy business.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographical markets is disclosed in notes 4(i) and 4(ii) respectively.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales and service contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales or service contracts that had an original expected duration of one year or less.

4 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

– Electronic devices: the application of advanced precision manufacturing processes, automated production, and intelligent technologies to provide core components and functional modules for electronic devices;

– Automotive and AAM: the intelligent manufacturing platform industry for intelligent vehicles and low-altitude economy refers to an integrated manufacturing system that applies advanced precision processing, automated production, and intelligent technologies to deliver core components, functional modules, and other high-precision hardware for intelligent vehicles and low-altitude economy applications; and

– Others: the others segment represents the provision of services or sale of goods other than those involved in above segments, mainly including logistics business, clean energy business as well as telecommunications business.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments which otherwise arise from the depreciation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the senior executive management. The senior executive management does not evaluate operating segments using asset information.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the three months ended March 31, 2026 and 2025 are set out below.

For the three months ended March 31, 2026	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
	Point in time	Over time	Total		
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Reportable segment					
Electronic devices	10,323,184	–	10,323,184	1,564,265	528
Automotive and AAM	1,681,713	–	1,681,713	243,213	362
Others	629,974	8,095	638,069	44,953	–
Total	12,634,871	8,095	12,642,966	1,852,431	890

For the three months ended March 31, 2025	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
	Point in time	Over time	Total		
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Reportable segment					
Electronic devices	10,338,100	–	10,338,100	1,521,256	13,829
Automotive and AAM	506,681	–	506,681	14,143	–
Others	642,565	6,932	649,497	(57,572)	–
Total	11,487,346	6,932	11,494,278	1,477,827	13,829

Reconciliation of reportable segment results to profit before taxation is set out below:

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Reportable segment results	1,852,431	1,477,827
Unallocated income and expenses		
– Other income and other gains, net	(103,700)	186,200
– Selling and distribution expenses	(121,399)	(90,086)
– Administrative and other operating expenses	(542,482)	(433,697)
– Research and development expenses	(688,637)	(517,425)
– Provision for impairment losses on non-current assets	(890)	(13,829)
– Reversal of impairment losses on financial and contract assets	99,787	144,018
– Finance costs	(96,682)	(86,122)
– Share of results of associates	31,681	(45)
Profit before taxation	430,109	666,841

(ii) Geographic information

The following table presents a summary of revenue by region based on the location of the Group's revenue from external customers. The geographical location is based on the place of domicile of the external customers at which the services were provided or the goods were delivered.

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Chinese Mainland	6,997,296	6,404,450
Overseas		
– Asia (excluding Chinese Mainland)[(1)]	3,139,473	3,030,661
– North America[(2)]	1,874,676	1,605,451
– Europe[(3)]	381,624	202,800
– Others[(4)]	249,897	250,916
	12,642,966	11,494,278

Notes:

(1) Primarily includes India, Vietnam, Hong Kong and Taiwan.

(2) Primarily includes the United States.

(3) Primarily includes the United Kingdom, Turkey, Ireland and Germany.

(4) Primarily includes Brazil.

Information about the Group's the investment properties and other property, plant and equipment is presented based on the geographic area set out below:

	As at March 31,2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Chinese Mainland	18,491,827	17,738,291
Overseas	2,607,591	2,874,387
	21,099,418	20,612,678

(iii) Information about major customers

Revenue from customer during the three months ended March 31, 2026 and 2025, contributing over 10% of the total revenue of the Group is as follows:

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Customer A	2,349,777	2,432,837
Customer B	1,276,960	1,267,823
Customer C	1,459,625	1,169,739
Customer D	N/A*	1,434,034

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the period.

5 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Gain/(loss) on listed equity securities at FVTPL	636	(36,769)
Gain on derivative financial instruments at FVTPL	49,552	97,490
Gain on bank wealth management products at FVTPL	11,880	16,462
Exchange (loss)/gain	(288,102)	7,608
Government grants*	82,456	68,421
Value added tax ("VAT") deductions	7,374	8,417
Gain/(loss) on disposals of property, plant and equipment and other non-current assets	1,102	(1,449)
Bank interest income	22,901	21,935
Others	8,501	4,085
	(103,700)	186,200

* During the three months ended March 31, 2026 and 2025, the Group has received funding from PRC Government regarding support mainly for employment stability and business in high-technology industry and research and development activities carried out by the Group.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Interest expense on bank borrowings and other borrowings	82,249	63,367
Interest expense on bonds payables	–	13,326
Interest expense on lease liabilities	12,827	9,429
Interest expense on the obligation to acquire NCI	1,606	–
	96,682	86,122

(b) Staff costs (including directors' emoluments)

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Salaries, wages and other benefits	2,419,414	1,882,623
Contributions to defined contribution retirement plans	175,786	134,805
Equity-settled share-based payment expenses *(note 19)*	98,505	75,653
	2,693,705	2,093,081

The Group participates in various pension plans organised by governments of the PRC and other countries under which the Group is required to make monthly defined contributions to these plans based on employee's salaries cost in accordance with the relevant regulations.

(c) Other items

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Amortisation cost of intangible assets	15,815	19,330
Depreciation	767,002	635,814
– owned property, plant and equipment and investment properties	665,599	553,663
– right-of-use assets	101,403	82,151
Auditors' remuneration	1,069	1,383
Cost of inventories	10,596,294	10,006,966
(Reversal of)/ provision for impairment losses on financial and contract assets		
– trade and bills receivables	(93,959)	(38,793)
– other receivables	(6,734)	(105,225)
– contract assets	906	–
Impairment losses on non-current assets		
– owned property, plant and equipment and investment properties	890	13,829
Research and development costs	688,637	517,425

7 INCOME TAX

Taxation in the condensed consolidated statements of profit or loss:

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Current tax		
– PRC Corporate Income Tax *(note (i))*	49,523	43,893
– Hong Kong Profits Tax *(note (ii))*	13,131	15,333
– Overseas Income Tax	25,172	18,143
	87,826	77,369
Deferred tax	(58,523)	21,534
Total tax charged for the period	29,303	98,903

(i) In accordance with relevant PRC rules and regulations, the PRC Corporate Income Tax rate applicable to the Company and its subsidiaries in the PRC is principally 25% during the three months ended March 31, 2026 and 2025, unless otherwise specified. Subsidiaries which qualified as High and New Technology Enterprises ("HNTE") and Small and Micro Enterprises are taxed at preferential tax rate of 15% and 20% respectively based on the relevant PRC tax laws and regulations.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the three months ended March 31, 2026 and 2025, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the three months ended March 31, 2026 and 2025.

(iii) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(iv) The Organization for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists to assist them with applying the legislation and determining the related impact.

Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares in issue during the three months ended March 31, 2026 and 2025 as follows:

(i) Profit attributable to equity shareholders of the Company

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Profit attributable to equity shareholders of the Company	391,642	565,181

(ii) Weighted average number of ordinary shares

	Three months ended March 31, 2026	Three months ended March 31, 2025
	'000 *(unaudited)*	*'000* *(unaudited)*
Issued ordinary shares at January 1	7,306,061	7,008,178
Effect of exercise of share options	904	–
Effect of employee stock ownership plan ("ESOP")	(56,253)	(48,425)
Weighted average number of ordinary shares in issue	7,250,712	6,959,753

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares after adjusting for dilutive effect of the equity-settled share-based payment scheme and convertible bonds conversion as follows:

(i) Profit attributable to equity shareholders of the Company (diluted)

	Three months ended March 31, 2026	Three months ended March 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Profit attributable to equity shareholders	391,642	565,181
Dilutive impact of convertible bonds conversion	–	13,326
Diluted profit attributable to equity shareholders	391,642	578,507

(ii) Weighted average number of ordinary shares (diluted)

	Three months ended March 31, 2026	Three months ended March 31, 2025
	'000 *(unaudited)*	*'000* *(unaudited)*
Weighted average number of ordinary shares at March 31	7,250,712	6,959,753
Effect of shares for equity-settled share-based payment scheme	113,774	111,636
Dilutive impact of convertible bonds conversion	–	234,105
Weighted average number of ordinary shares in issue	7,364,486	7,305,494

9 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

	As at March 31, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Buildings	4,309,774	4,408,795
Machinery	9,483,534	9,528,902
Motor vehicles	41,185	41,367
Furniture, fixtures and equipment	437,973	465,759
Freehold lands	20,614	21,423
Construction in progress	3,367,189	2,859,780
Leasehold improvements	629,481	529,039
Right-of-use assets	2,540,526	2,482,381
Investment properties	269,142	275,232
	21,099,418	20,612,678

Certain investment properties and property, plant and equipment with a net carrying amount of approximately RMB1,098,398,000 and RMB1,018,989,000, as at March 31, 2026 and December 31, 2025 respectively, were pledged as security for bank loans granted to the Group or were subject to other restrictions.

10 INTANGIBLE ASSETS

	As at March 31, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Patent	48,493	20,105
Software	77,183	77,896
Customer relationship	114,052	20,769
Others	24,860	26,011
	264,588	144,781

11 GOODWILL

The goodwill is allocated to the Group's CGU identified according to nature of businesses as follows:

	As at March 31, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Business of Zhejiang Xianglong Machinery Co., Ltd. ("Zhejiang Xianglong")	1,364,993	1,364,993
Business of Dongguan Readore Technology Co., Ltd. (the "Readore") *(Note)*	783,986	–
Mobile charger business	605,547	605,547
Precision structural parts business	436,409	436,409
Business of Dongguan Jieying Precision Silicone Technology Co., Ltd. ("Jieying Technology")	165,231	165,231
Screen protector business	54,074	54,074
Business of Jiangsu Kooda Stern Automobile Technology ("Jiangsu Kooda")	42,037	42,037
Communication devices parts business	33,978	33,978
Automotive products	1,336	1,336
Others	64	64
	3,487,655	2,703,669

Note: The Group acquired the business of Readore during the three months ended March 31, 2026. Detail is set out in note 21. The acquisition enhanced the Group's profitability and business synergies in electronic devices sectors.

The segment classification of each cash-generating unit is as follows:

Segment	Cash-generating unit
Electronic devices	Precision structural parts business
Electronic devices	Business of Jieying Technology
Electronic devices	Screen protector business
Electronic devices	Mobile charger business
Electronic devices	Business of Readore
Electronic devices	Others
Automotive and AAM	Automotive products
Automotive and AAM	Business of Zhejiang Xianglong
Automotive and AAM	Business of Jiangsu Kooda
Others	Communication devices parts business

12 OTHER FINANCIAL ASSETS

	As at March 31, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Non-current		
Financial assets measured at fair value through profit or loss ("FVTPL")		
Unlisted equity securities *(note 22)*	19,127	18,127

	As at March 31, 2026	As at December 31, 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Financial assets measured at fair value through other comprehensive income ("FVTOCI")		
Listed equity instruments *(note 22)*	1,952	2,176
Unlisted equity securities designated at FVTOCI (non-recycling) *(note 22)*	83,149	83,149
	85,101	85,325
	104,228	103,452
Current		
Financial assets measured at FVTPL		
Listed equity securities *(note 22)*	15,393	19,929
Bank wealth management products *(note 22)*	976,496	1,495,521
Derivative financial instruments *(note 22)*	–	836
Contingent consideration *(note 22)*	13,116	13,116
	1,005,005	1,529,402
Financial assets measured at FVTOCI		
Notes receivables measured at FVTOCI *(note 22)*	457,654	403,378
	1,462,659	1,932,780
	1,566,887	2,036,232

13 INVENTORIES

	As at March 31, 2026	As at December 31, 2025
	RMB'000 (unaudited)	RMB'000 (audited)
Raw materials	1,510,179	1,370,161
Work-in-progress	1,300,305	1,221,395
Finished goods	3,843,256	4,313,484
Goods in transit	199,465	175,520
Consigned processing materials	98,183	92,727
Consumables	25,775	16,604
	6,977,163	7,189,891

14 TRADE AND OTHER RECEIVABLES

	Note	As at March 31, 2026	As at December 31, 2025
		RMB'000 (unaudited)	RMB'000 (audited)
Non-current			
Prepayments			
– Prepayments for purchase of property, plant and equipment		340,639	333,197
– Amount due from related parties	*24(c)*	765	953
		341,404	334,150
Current			
Trade receivables, net of loss allowance		12,248,155	13,769,760
Bills receivables, net of loss allowance		363,892	253,945
Subtotal		12,612,047	14,023,705
Deposits, prepayments and other receivables			
– VAT recoverable		568,349	524,973
– Mold costs to be amortized		419,209	419,245
– Deferred listing expenses		17,322	17,175
– Others		784,903	840,090
– Amounts due from related parties	*24(c)*	21,507	4,574
		1,811,290	1,806,057
		14,423,337	15,829,762
		14,764,741	16,163,912

The credit periods granted to customers were generally within 30 to 120 days.

As at the end of each reporting period, the ageing analysis of trade and bills receivables based on invoice date and net of loss allowance is as follows:

	As at March 31, 2026	As at December 31, 2025
	(RMB'000) *(unaudited)*	*(RMB'000)* *(audited)*
Within 1 year	13,213,982	14,677,670
1 year to 2 years	25,608	15,468
2 years to 3 years	8,595	13,152
3 years to 4 years	856	739
4 years to 5 years	284	322
Over 5 years	34,516	33,675
	13,283,841	14,741,026
Loss allowance	(671,794)	(717,321)
	12,612,047	14,023,705

15 CASH AND BANK BALANCES AND RESTRICTED BANK DEPOSITS

(a) Reconciliation of profit before taxation to cash generated from operations:

	Note	Three months ended March 31, 2026	Three months ended March 31, 2025
		RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Profit before tax		430,109	666,841
Adjustments for:			
– Share of profits of associates		(31,681)	45
– Net gain on financial assets		(112,891)	(152,333)
– Depreciation and impairment of owned property, plant and equipment and investment properties		666,489	567,492
– Depreciation and impairment of right-of-use assets		101,403	82,151
– Amortisation and impairment of intangible assets		15,815	19,330
– Fair value loss on financial assets at fair value through profit and loss		50,823	75,150
– Net (gain)/loss disposals of property, plant and equipment and other non-current assets		(1,102)	1,449
– Write-down of inventories to net realisable value		239,145	263,808
– Finance costs		96,682	86,122
– Other gains and losses, net		50,806	(2,304)
– Reversal of impairment losses on financial and contract assets		(99,787)	(144,018)
– Share-based payment expense		98,505	75,653
Changes in working capital:			
Decrease in trade and bills receivables		1,914,636	816,889
Decrease/(increase) in prepayments, deposits and other receivables		52,425	(43,919)
Decrease in inventories		98,664	119,665
Decrease in trade and bills payables		(2,524,157)	(1,270,610)
Decrease in other payables and accruals		(96,591)	(275,126)
(Decrease)/increase in contract liabilities		(64,707)	19,730
Cash generated from operations		884,586	906,015

(b) Restricted bank deposits

The analysis of restricted bank deposits of the Group on each end of the reporting period is as follows:

	As at March 31, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Security deposits for bank acceptance bills	609,387	578,949
Security deposits for letter of guarantee	16,863	20,881
Frozen Funds *(note)*	97,541	107,019
Others	14,682	28,768
	738,473	735,617

Note: The frozen funds mainly represented amounts frozen due to ongoing litigations.

16 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	Note	As at March 31, 2026	As at December 31, 2025
		RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Non-Current			
Deferred government grant income		618,083	627,582
Employee benefits obligation		38,077	36,813
Obligation to acquire NCI		93,137	91,531
		749,297	755,926
Current			
Trade payables		8,760,233	10,754,516
Bills payables.		1,423,257	1,611,216
Accrual for salaries and bonus		463,541	586,496
Dividend payables		6,352	6,352
Other payables and accruals			
– Payables for acquisition of property, plant and equipment		1,483,803	1,737,553
– Payable for repayment of government grants and funding occupation charges		187,075	185,892
– Share repurchase obligations under the ESOP		180,000	189,093
– Advance received for consigned processing materials		181,891	156,913
– Equity consideration payables		–	115,384
– Withholding tax on individual income tax on the ESOPs		–	93,395
– Others		858,779	929,741
– Amounts due to related parties	*24(c)*	7	7
		2,891,555	3,407,978
		13,544,938	16,366,558
Contract liabilities			
– Third parties		52,425	92,664
		52,425	92,664
		13,597,363	16,459,222
		14,346,660	17,215,148

The credit period granted by suppliers are generally within 60-120 days.

As at the end of each reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	As at March 31, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Within 1 year	8,628,574	10,591,878
1 year to 2 years	80,694	95,498
2 years to 3 years	21,726	24,506
3 years to 4 years	15,728	30,007
4 years to 5 years	8,142	7,788
Over 5 years	5,369	4,839
	8,760,233	10,754,516

17 BORROWINGS

During the three months ended March 31, 2026, the Group had new borrowings of approximately RMB3,974,095,000 (three months ended March 31, 2025: RMB1,700,027,000), repaid of borrowings approximately RMB3,638,757,000 (three months ended March 31, 2025: RMB1,141,064,000).

As at March 31, 2026 the borrowings bear effective interest rates range of 1.46% to 3.90% (December 31, 2025: 1.05% to 3.00%) per annum.

During the three months ended March 31, 2026, the Company provided additional pledges 96.15% of its equity interests in Zhejiang Xianglong Machinery Co., Ltd., 60.00% of its equity interests in Jiangsu Kooda Stone Automotive Technology Co., Ltd. and 35.00% of its equity interests in Dongguan Readore Technology Co., Ltd. as security for borrowings of RMB1,740,509,000 of the Group. Save as disclosed above, there were no material changes in the Group's pledged assets and security arrangements since December 31, 2025.

18 OTHER FINANCIAL LIABILITIES

	As at March 31, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Non-current		
Financial liabilities measured at FVTPL		
– Consideration payables *(note 22)*	309,976	544,762
Financial liabilities measured at amortized cost		
– Other pledged financing *(note)*	8,479	–
	318,455	544,762
Current		
Financial liabilities measured at FVTPL		
– Derivative financial instruments *(note 22)*	65,348	–
– Consideration payables *(note 22)*	463,299	224,006
	528,647	224,006
Financial liabilities measured at amortized cost		
– Other pledged financing *(note)*	7,908	–
	536,555	224,006
	855,010	768,768

Note: The Group enters into sale and lease back arrangements in relation to machinery leases. The legal transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery.

19 EQUITY SETTLED SHARE-BASED TRANSACTIONS

Save as disclosed in the historical financial information in Appendix I relating to the equity settled share-based transactions, there is no material change for the three months ended March 31, 2026 and 2025, except for the following.

(a) Share Options

The number and weighted average exercise prices of share options

The Company

	Three months ended March 31,			
	2026		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RMB *(unaudited)*	*'000* *(unaudited)*	*RMB* *(unaudited)*	*'000* *(unaudited)*
Outstanding at the beginning of the period	4.43	147,944	4.46	186,730
Exercised during the period	4.42	(1,021)	–	–
Forfeited during the period	4.43	(5,375)	–	–
Outstanding at the end of the period	4.43	141,548	4.46	186,730
Exercisable at the end of the period	4.42	364	–	–

As stated in note 1.2 to the Historical Financial Information set out in Appendix I, the Group's Interim Financial Information is prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology (Shenzhen) Co., Ltd. ("Lingyi Technology")) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company). Accordingly, the above movements of share options and respective financial impacts have been adjusted reflecting the impact of the Acquisition, defined in note 1.2 to the Historical Financial Information in Appendix I, under the Group's consolidated statements of changes in equity.

For three months ended March 31, 2026 and 2025, the Group recognised equity-settled share-based payment expenses of RMB46,256,000 and RMB44,722,000 for the share options in the condensed consolidated statement of profit or loss respectively.

(b) Employee Stock Ownership Plan

There were no share options granted, released or forfeited under Employee Stock Ownership Plan during the three months ended March 31,2026 and 2025.

For three months ended March 31, 2026 and 2025, the Group recognised equity-settled share-based payment expenses of RMB52,249,000 and RMB30,931,000 for the Employee Stock Ownership Plan in the condensed consolidated statement of profit or loss respectively.

20 CAPITAL AND RESERVES

(a) Share capital

The share capital presented on the Group's condensed consolidated statement of changes in equity as at January 1, 2026 represented the paid-in capital of the accounting acquirer, Lingyi Technology. Subsequent changes of the share capital of the Company were adjusted by adopting the reverse acquisition accounting under IFRS 3 to account for the acquisition as disclosed in note 1.2 to the Historical Financial Information in Appendix I.

The share capital presented on the Company's statement of changes in equity at as at January 1, 2026 and 2025, March 31, 2026 and 2025 represented the share capital of the legal acquirer, the Company. The number of issued and fully paid ordinary shares of the Company was stated as below.

	Three months ended March 31,			
	2026		2025	
	Number of shares		Number of shares	
	'000 *(unaudited)*	*RMB'000* *(unaudited)*	*'000* *(unaudited)*	*RMB'000* *(unaudited)*
At beginning of the period	7,306,061	7,306,061	7,008,178	7,008,178
Exercise of share options	1,908	1,908	–	–
At the end of the period	7,307,969	7,307,969	7,008,178	7,008,178

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Treasury shares

During the three months ended March 31, 2026 and 2025, there were no changes in the Group's treasury shares.

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

Except for the banking facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios, the Group does not subject to externally imposed capital requirements during the three months ended March 31, 2026 and 2025.

21 ACQUISITION OF A SUBSIDIARY

The Group entered into share purchase agreements on December 22, 2025 to acquire 35% equity interest of Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司) (the "Readore") from its then shareholders, which are independent third parties, and acquire 17.78% of voting rights of Readore from Zhang Qiang who is an independent third party, at an aggregate cash consideration of RMB875,000,000. The acquisition of Readore was completed in January 2026. Upon the completion of the acquisitions, the Group held 52.78% of voting rights of Readore. Readore became a subsidiary of the Group with effect from January 31, 2026, and its financial results have been consolidated commencing from February 1, 2026.

The acquisition-date fair values of the identifiable assets and liabilities acquired through acquisition of a subsidiary during the three months ended March 31, 2026 as at its respective date of acquisition is set out below:

	Three months ended March 31, 2026
	RMB'000
	(unaudited)
Investment properties and other property, plant and equipment	50,602
Intangible assets	134,293
Right-of-use assets	51,244
Cash and cash equivalents	48,789
Restricted bank deposits	1,103
Inventories	111,278
Trade and other receivables	459,932
Other current assets	14,951
Other non-current assets	3,988
Trade and other payables	(344,726)
Short-term borrowings	(159,161)
Non-current interest-bearing borrowings	(7,968)
Other financial liabilities	(17,533)
Current tax payable	(10,935)
Lease liabilities	(55,630)
Contract liabilities	(24,164)
Deferred tax liabilities	(8,405)
Fair value of identifiable net assets acquired	247,658
Less: Non-controlling interest	(156,644)
Goodwill	783,986
Total consideration satisfied by cash	875,000
Less: cash and cash equivalents acquired	(48,789)
Net cash flows used in acquisition	826,211

Goodwill arose on the acquisition of Readore because the acquisition included the assembled workforce of Readore and expected synergies from combining the operations and product capabilities of Readore with those of the Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

For the period from February 1, 2026 to March 31, 2026, the acquired company contributed revenue of RMB138,114,000 and net loss of RMB767,000, including exchange loss of RMB3,043,000, to the Group.

Had the acquisitions been completed on January 1, 2026, the Group's revenue and profit for the three months ended March 31, 2026 would have been RMB12,757,261,000 and RMB410,855,000, respectively.

22 FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

Analysis on fair value measurement of financial instruments as at March 31, 2026 and December 31, 2025 are as follows:

	Fair value at March 31, 2026	Fair value measurement at March 31, 2026 categorised into		
	RMB'000 *(unaudited)*	*Level 1* *(unaudited)*	*Level 2* *(unaudited)*	*Level 3* *(unaudited)*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Bank wealth management products	976,496	–	976,496	–
– Listed equity securities	15,393	–	15,393	–
– Unlisted equity securities	19,127	–	19,127	–
– Contingent consideration	13,116	–	–	13,116
	1,024,132	–	1,011,016	13,116
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	457,654	–	–	457,654
– Unlisted equity securities	83,149	–	83,149	–
– Listed equity securities	1,952	–	1,952	–
	542,755	–	85,101	457,654
Financial liabilities:				
– Derivative financial instruments	65,348	–	65,348	–
– Consideration payables	773,275	–	–	773,275
	838,623	–	65,348	773,275

	Fair value at December 31, 2025	Fair value measurement at December 31, 2025 categorised into		
	RMB'000 *(audited)*	*Level 1* *(audited)*	*Level 2* *(audited)*	*Level 3* *(audited)*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Bank wealth management products	1,495,521	–	1,495,521	–
– Listed equity securities	19,929	185	19,744	–
– Derivative financial instruments	836	–	836	–
– Unlisted equity securities	18,127	–	18,127	–
– Contingent consideration	13,116	–	–	13,116
	1,547,529	185	1,534,228	13,116
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	403,378	–	–	403,378
– Unlisted equity securities	83,149	–	83,149	–
– Listed equity securities	2,176	–	2,176	–
	488,703	–	85,325	403,378

	Fair value at December 31, 2025	Fair value measurement at December 31, 2025 categorised into		
	RMB'000 (audited)	Level 1 (audited)	Level 2 (audited)	Level 3 (audited)
Financial liabilities:				
– Consideration payables	768,768	–	–	768,768

There were no significant transfers between levels or changes in valuation techniques during the periods.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of other current financial assets in Level 2 is estimated by calculating the net present value of future cash flows, based on the return rates of bank wealth management products and forward exchange rates observable in the market at the end of the reporting period.

Certain listed equity securities and all unlisted equity securities were classified as Level 2 financial assets. Their fair values were determined using a market approach with reference to observable market data, including quoted prices in the National Equities Exchange and Quotations market, recent financing transactions and recent equity transfer transactions involving independent market participants. Such inputs are observable either directly or indirectly but do not represent unadjusted quoted prices in active markets for identical assets.

Valuation techniques and inputs used in Level 3 fair value measurements

Financial instruments whose fair value is classified in Level 3 mainly comprise notes receivables measured at FVTOCI, contingent consideration and consideration payables. Their fair values are determined using valuation techniques involving significant unobservable inputs, including discounted cash flow analysis and forecast net profit of the target company, where applicable.

	Fair value hierarchy	As at March 31, 2026	As at December 31, 2025	Valuation technique and key input	Unobservable input	Range	Sensitivity of fair value to the input
		RMB'000 (unaudited)	RMB'000 (audited)				
Financial assets at FVTOCI							
– Notes receivables measured at FVTOCI	Level 3	457,654	403,378	Discounted Cash Flow	Discounted Rate	0.01%-2.10%	A 10% increase/decrease in the discount rate as at March 31, 2026 and December 31, 2025 would result in a corresponding decrease or increase in the fair value of the relevant assets by RMB5,307,000/RMB4,352,000 and RMB5,249,000/RMB4,305,000, respectively.
Financial assets at FVTPL							
– Contingent consideration. . . .	Level 3	13,116	13,116	Consolidated net profit of the target company	Consolidated net profit of the target company	RMB32,507,000	A 10% increase/decrease in the consolidated net profit of the target company as at March 31, 2026 and December 31, 2025 would result in a corresponding decrease or increase in the fair value of the relevant assets by RMB2,752,000 and RMB2,752,000.
Financial liabilities at FVTPL							
– Consideration payable	Level 3	773,275	768,768	Discounted Cash Flow	Discounted Rate	2.34%	A 10% increase/decrease in the discount rate as at March 31, 2026 and December 31, 2025 would result in a corresponding decrease/increase in the fair value of the relevant liabilities by RMB809,000/RMB2,904,000 and RMB2,389,000/RMB2,400,000, respectively.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at March 31, 2026 and December 31, 2025.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the three months ended March 31, 2026 and year ended December 31,2025:

	Notes receivables measured at FVTOCI	Contingent consideration	Other financial liabilities
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2025 (audited)	248,517	–	–
Additions (audited)	154,861	13,116	768,768
As at December 31, 2025 (audited)	403,378	13,116	768,768
As at January 1, 2026 (unaudited)	403,378	13,116	768,768
Additions (unaudited)	54,276	–	–
Fair value gains (unaudited))	–	–	4,507
As at March 31, 2026 (unaudited)	457,654	13,116	773,275

23 COMMITMENTS

	As at March 31,	As at December 31,
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Contracted for		
– Property, plant and equipment	2,154,553	3,364,636
– Subscribed capital contribution	554,069	1,397,629
Authorised but not contracted for		
– Property, plant and equipment	652,644	520,304
– Subscribed capital contribution	80,000	50,000
	3,441,266	5,332,569

24 MATERIAL RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2026 and 2025, transactions with the following parties are considered to be related party transactions of the Group:

Name of Related Party	Relationship with the Group
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	Indirectly controlled by the controlling shareholder
Lingsheng Investment and its subsidiaries	Controlled by the controlling shareholder
Guangdong Nbtm New Materials Co., Ltd.	Significantly influenced by a subsidiary of the Company
HG Automation Technology (Suzhou) Ltd	Significantly influenced by the controlling shareholder of the Company
Shenzhen Xiaochen Technology Co., Ltd.	Significantly influenced by the controlling shareholder of the Company
Nanjing Kuke Electronic Technology Co., Ltd. And its subsidiaries	Significantly influenced by a subsidiary of the Company
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	Significantly influenced by a subsidiary of the Company
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	Significantly influenced by a subsidiary of the Company
DBG Electronics (Investment) Limited and its subsidiaries	The controlling shareholder and its closely related family member of the controlling shareholder serving as directors, supervisors and senior management
Zeng Fangqin	Controlling shareholder
Zeng Fangling	Family member of the controlling shareholder
Zeng Fangping	Family member of the controlling shareholder
Zeng Fanghua	Family member of the controlling shareholder
Haining Automann Parts Co., Ltd.	Significantly influenced by a subsidiary of the Company
Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	Significantly influenced by a subsidiary of the Company

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Directors' fee	150	113
Salaries, allowance and benefits in kind	3,161	4,723
Retirement scheme contributions	10	21
Equity settled share-based payment	1,575	7,958
	4,896	12,815

Total remuneration is included in "Staff costs" (see note 6(b)).

(b) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in the Interim Financial Information, the Group entered into the following material related party transactions during the three months ended March 31, 2026 and 2025:

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Purchase of goods		
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	49,696	110,949
Lingsheng Investment and its subsidiaries	45	–
Guangdong Nbtm New Materials Co., Ltd.	63	169
HG Automation Technology (Suzhou) Ltd	18,368	68
Shenzhen Xiaochen Technology Co., Ltd.	–	4
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	56	25
Haining Automann Parts Co., Ltd.	4,213	–
	72,441	111,215
Rendering service		
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	–	4
	–	4
Provision of service		
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	41	41
HG Automation Technology (Suzhou) Ltd.	1	–
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	513	579
Guangdong Nbtm New Materials Co., Ltd.	4	3
	559	623
Sales of goods		
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	128	1
Lingsheng Investment and its subsidiaries	–	14
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	1,962	1,779
Guangdong Nbtm New Materials Co., Ltd.	12	–
Nanjing Kuke Electronic Technology Co., Ltd.and its subsidiaries	4,105	18,382
Haining Automann Parts Co., Ltd.	15	–
	6,222	20,176
Rental income		
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	536	536
HG Automation Technology (Suzhou) Ltd.	3	3
	539	539
Rental expenses:		
Lingsheng Investment and its subsidiaries	3,316	–
DBG Electronics (Investment) Limited and its subsidiaries	–	4,369
	3,316	4,369

	Three months ended March 31,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Purchase of assets:		
Lingsheng Investment and its subsidiaries	414	204
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	17	–
	431	204

(c) Balances with related parties

	As at March 31,	As at December 31,
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Trade receivables:		
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	266	259
Guangdong Nbtm New Materials Co., Ltd.	16	–
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	5,125	4,717
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	5,902	8,215
Haining Automann Parts Co., Ltd.	16	–
	11,325	13,191
Prepayments, other receivables and other assets:		
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	–	349
HG Automation Technology (Suzhou) Ltd.	765	765
Lingsheng Investment and its subsidiaries	–	203
DBG Electronics (Investment) Limited and its subsidiaries	–	4,210
Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	21,507	–
	22,272	5,527
Trade and other payables:		
Lingsheng Investment and its subsidiaries	484	141
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	36,691	77,152
Guangdong Nbtm New Materials Co., Ltd.	68	158
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	71	54
HG Automation Technology (Suzhou) Ltd	26,832	15,774
Haining Automann Parts Co., Ltd.	4,714	–
	68,860	93,279

All related-party balances presented above as at December 31, 2025 and March 31, 2026 were of a trade nature and arose in the ordinary course of business.

25 CONTINGENT LIABILITY

As of March 31, 2026, the Group has no other outstanding litigation or contingent liability that in the opinion of the directors of the Company would have material impact to the Group's financial position.

26 EVENT AFTER THE END OF THE REPORTING PERIOD

On April 20, 2026, the 2025 profit distribution plan was approved by the Shareholders' Meeting. Pursuant to the plan, based on the total share capital as of March 10, 2026 (after deducting the shares held in the special repurchase account), the Company will distribute a cash dividend of RMB0.20 per 10 shares (tax inclusive). No bonus shares or capital reserve conversion will be involved. The total cash dividend to be distributed amounts to RMB145,483,000 (tax inclusive).

The following information set forth does not form part of the "Accountants' Report" from Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering as if it had taken place on December 31, 2025 and based on the audited consolidated net tangible assets attributable to the owners of the Company as at December 31, 2025 as shown in the Accountants' Report, the text of which is set out in Appendix I to this document, and adjusted as described below.

The 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 at December 31, 2025 or at any future dates following the Global Offering.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 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 at December 31, 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$10.18 per Share	21,191,692	7,090,245	28,281,937	3.51	4.04

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 is extracted from the Accountants' Report as set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at December 31, 2025 of approximately RMB24,040,142,000 with an adjustment for the intangible assets and goodwill as of December 31, 2025 of approximately RMB2,848,450,000.

2. The estimated net proceeds from the Global Offering are based on 811,811,880 Offer Shares and the Offer Price of HK$10.18 per Offer Share after deduction of the estimated underwriting commissions and fees and other related expenses (excluding listing expenses of RMB1,538,000 which have been accounted for in the consolidated statements of profit or loss prior to December 31, 2025).

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025 is arrived at after adjustments referred to in the preceding paragraphs and on the basis that a total of 8,061,620,033 Shares (representing 7,249,808,153 Shares excluding 56,252,824 shares held by the Company in treasury as at December 31, 2025 and 811,811,880 Offer Shares) were in issue assuming that the Global Offering had been completed on December 31, 2025. Considering the impact of the following subsequent events: (a) subsequent acquisition of Dongguan Readore Technology Co., Ltd.; (b) exercise of share options, which increased the total number of Shares by 2,137,703 Shares; (c) repurchase of shares, which increased the number of treasury shares by 22,199,300 Shares; (d) declaration of dividends, with corresponding effects of RMB(918,279,000), RMB8,434,000, RMB(311,133,000) and RMB(145,483,000), respectively, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025 would be RMB3.35 (HK$3.85), based on an Offer Price of HK$10.18 per Share.

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, the amounts stated in Hong Kong dollars are converted into Renminbi at a rate of HK$1 to RMB0.8696. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

5. Save as disclosed above, no other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2025.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, the Company's reporting accountants, in respect of the Group's unaudited pro forma financial information for the purpose in this prospectus.

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Lingyi iTech (Guangdong) Company

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Lingyi iTech (Guangdong) Company (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owner of the Company as at December 31, 2025 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated June 17, 2026, in connection with the proposed initial public offering of the shares of the Company (the "Prospectus"). 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 the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at December 31, 2025 as if the proposed initial public offering had taken place at December 31, 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the year ended December 31, 2025, on which an accountants' report has been published as set out in Appendix I of the Prospectus.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 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 behaviour.

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 accountant plans and performs 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 Group 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 proposed initial public 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 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 company, 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.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
KWAN, Shui Cheung, Esmond
Practising Certificate Number: P05371
Hong Kong
June 17, 2026

This appendix mainly provides investors with an overview of the Company's Articles of Association. The following information is only a summary and does not include all details that may be important to investors.

SHARES AND REGISTERED CAPITAL

The issuance of the Company's shares shall be conducted in accordance with the principles of openness, fairness and impartiality, and each share of the same class shall have equal rights. For shares of the same class issued in the same offering, the issuance conditions and price per share shall be the same; subscribers shall pay the same price for each share subscribed.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the provisions of laws and regulations and subject to separate resolutions of the Shareholders' Meeting by any of the following methods:

i. Issuance of shares to unspecified parties;

ii. Issuance of shares to specified parties;

iii. Distribution of bonus shares to existing shareholders;

iv. Conversion of reserve funds to share capital;

v. Other methods stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and relevant domestic and foreign securities regulatory authorities.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be handled in accordance with the procedures prescribed in the Company Law, other relevant regulations and the Articles of Association.

Repurchase of Shares

The Company may acquire its own shares in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association under the following circumstances:

i. Reducing the registered capital of the Company;

ii. Merging with other companies that hold shares of the Company;

iii. Using the shares for employee shareholding plans or equity incentives;

iv. Acquiring the shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' Meeting on the merger or division of the Company;

v. Using the shares to satisfy the conversion of corporate bonds convertible into shares issued by the Company;

vi. Safeguarding the Company's value and shareholders' equity as the Company deems necessary.

Where the Company acquires its own shares due to the circumstances specified in items (iii), (v) and (vi) of the preceding paragraph, the acquisition shall be conducted through public centralized trading methods.

Where the Company acquires its own shares due to the circumstances specified in items (i) and (ii) of the preceding paragraph, the acquisition shall be subject to a resolution of the Shareholders' Meeting. Where the Company acquires its own shares due to the circumstances specified in items (iii), (v) and (vi) of the preceding paragraph, the acquisition may be resolved by a meeting of the Board attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the Shareholders' Meeting.

After the Company acquires its own shares in accordance with the provisions of the preceding paragraph, for the circumstance specified in item (i), the shares shall be deregistered within ten days from the date of acquisition; for the circumstances specified in items (ii) and (iv), the shares shall be transferred or deregistered within six months; for the circumstances specified in items (iii), (v) and (vi), the total number of the Company's own shares held by the Company shall not exceed 10% of the total issued share capital of the Company, and such shares shall be transferred or deregistered within three years.

Where the Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with the provisions of the Securities Law of the People's Republic of China and the securities regulatory rules of the place where the Company's shares are listed.

Transfer of Shares

Shares issued by the Company prior to the public offering shall not be transferred within one year from the date on which the Company's shares are listed and traded on the stock exchange.

Directors and senior management of the Company shall declare to the Company their holdings of the Company's shares and changes thereto. During their term of office as determined at the time of appointment, the number of shares transferred each year shall not exceed 25% of the total number of shares of the same class of the Company held by them; the shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed and traded. The aforementioned personnel shall not transfer the shares of the Company held by them within half a year from the date of their resignation. Where the securities regulatory rules of the place where the Company's shares are listed have other provisions on restrictions on the transfer of the Company's shares, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall establish a register of shareholders based on the documents provided by the securities registration institution. The register of shareholders is sufficient evidence to prove that shareholders hold the Company's shares. Shareholders shall enjoy rights and assume 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.

When the Company holds a Shareholders' Meeting, distributes dividends, liquidates or engages in other activities requiring confirmation of shareholder identity, the record date for shareholding shall be determined by the Board or the convener of the Shareholders' Meeting, and the shareholders registered after the close of trading on the record date shall be the shareholders entitled to relevant rights and interests.

Shareholders of the Company shall enjoy the following rights:

i. To receive dividends and other forms of benefit distribution according to their shareholdings;

ii. To legally request, convene, preside over, attend or appoint proxies to attend the Shareholders' Meeting and exercise the corresponding voting rights (excluding cases where voting rights must be waived for relevant matters in accordance with the securities regulatory rules of the place where the Company's shares are listed);

iii. To supervise the operation of the Company and make suggestions or inquiries;

iv. To transfer, gift or pledge their held shares in accordance with the provisions of laws, administrative regulations and the Articles of Association;

v. To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' Meetings, resolutions of Board Meetings, and financial accounting reports; shareholders meeting the relevant requirements may inspect the Company's accounting books and accounting vouchers;

vi. To participate in the distribution of the remaining property of the Company according to their shareholdings in the event of termination or liquidation of the Company;

vii. To request the Company to acquire their shares if they dissent from the resolution of the Shareholders' Meeting on the merger or division of the Company;

viii. Other rights stipulated by laws, administrative regulations, departmental rules, the 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 of the People's Republic of China, the Securities Law of the People's Republic of China and other laws and administrative regulations, and provide the Company with written documents proving the class and number of shares they hold in the Company. After verifying the shareholder's identity, the Company shall provide the requested materials in accordance with the shareholder's requirements.

If the procedures for convening or voting at a Shareholders' Meeting or Board Meeting violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, shareholders shall have the right to request the people's court to revoke the resolution within 60 days from the date of the resolution, provided that minor flaws in the convening procedures or voting methods of the Shareholders' Meeting or Board Meeting that do not substantially affect the resolution are excluded.

Shareholders of the Company shall assume the following obligations:

i. To comply with laws, administrative regulations and the Articles of Association;

ii. To pay the share capital in accordance with the shares subscribed and the method of subscription;

iii. Not to withdraw their share capital except under circumstances stipulated by laws and regulations;

iv. Not to abuse shareholder 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 Company's creditors; shareholders of the Company who abuse shareholder rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law; shareholders of the Company who abuse the independent legal person status of the Company and the limited liability of shareholders to evade debts and seriously damage the interests of the Company's creditors shall be jointly and severally liable for the Company's debts;

v. Other obligations stipulated by laws, administrative regulations and the Articles of Association.

If directors (excluding those on the Audit Committee) and senior management violate laws, administrative regulations or the provisions of the Articles of Association in the performance of their duties and cause losses to the Company, shareholders who have held individually or collectively more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request the Audit Committee in writing to institute legal proceedings in the people's court; if members of the Audit Committee violate laws, administrative regulations or the provisions of the Articles of Association in the performance of their duties and cause losses to the Company, the aforementioned shareholders may request the Board in writing to institute legal proceedings in the people's court.

If the Audit Committee or the Board refuses to institute legal proceedings upon receipt of a written request from shareholders as provided for in the preceding paragraph, or fails to institute legal proceedings within 30 days from the date of receipt of the request, or if the situation is urgent and failure to institute legal proceedings immediately will cause irreparable damage to the Company's interests, the shareholders as provided for in the preceding paragraph shall have the right to institute legal proceedings directly in the people's court in their own names for the interests of the Company.

If another person infringes upon the legitimate rights and interests of the Company and causes losses to the Company, the shareholders specified in the Articles of Association may institute legal proceedings in the people's court in accordance with the provisions of the preceding two paragraphs.

If directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association and damage the interests of shareholders, shareholders may institute legal proceedings in the people's court.

The controlling shareholder and actual controller of the Company shall not use their associated relationships to damage the interests of the Company. If they violate the provisions and cause losses to the Company, they shall be liable for compensation.

The controlling shareholder and actual controller of the Company owe a fiduciary duty to the Company and the public shareholders of the Company. The controlling shareholder shall exercise the rights of an investor in strict accordance with the law. The controlling shareholder shall not damage the legitimate rights and interests of the Company and public shareholders through profit distribution, asset restructuring, external investment, capital occupation, loan guarantees or other means, shall not damage the interests of the Company and public shareholders by virtue of its controlling position, shall not seek additional benefits by virtue of its special status, shall not perform any approval procedures for the resolutions of the Shareholders' Meeting on personnel election and the resolutions of the Board on personnel appointment, shall not appoint or remove senior management of the Company beyond the Shareholders' Meeting and the Board, shall not directly or indirectly interfere in the production and operation decisions of the Company, shall not occupy or control the assets or other interests of the Company, shall not interfere in the financial and accounting activities of the Company, shall not issue any business plans or instructions to the Company, shall not engage in the same or similar business as the Company, and shall not affect the independence of the Company's operation and management or damage the legitimate rights and interests of the Company in any other form.

General Provisions of the Shareholders' Meeting

The Shareholders' Meeting shall be divided into the Annual Shareholders' Meeting and Extraordinary Shareholders' Meeting. The Annual Shareholders' Meeting shall be held once a year and shall be convened within six months after the end of the preceding accounting year.

The Shareholders' Meeting is the highest authority of the Company and shall exercise the following powers in accordance with the law:

i. To elect and replace directors who are not representatives of employees, and to decide on matters relating to the remuneration of such directors;

ii. To consider and approve the report of the Board;

iii. To consider and approve the Company's profit distribution plan and loss offset plan;

iv. To adopt resolutions on the increase or reduction of the registered capital of the Company;

v. To adopt resolutions or authorize the Board to adopt resolutions on the issuance of corporate bonds by the Company;

vi. To adopt resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

vii. To amend the Articles of Association;

viii. To adopt resolutions on the engagement or dismissal of the accounting firm responsible for auditing the Company's business;

ix. To consider and approve the guarantee matters stipulated in Article 48 of the Articles of Association;

x. To consider matters involving the purchase or sale of major assets by the Company within one year that exceed 30% of the Company's latest audited total assets;

The assets purchased or sold as mentioned above do not include the purchase of raw materials, fuels and power, and the sale of products, commodities and other assets related to daily operations, but assets of such nature involved in asset swaps are still included.

xi. To consider and approve matters relating to the change of the use of raised funds;

xii. To consider equity incentive plans and employee shareholding plans;

xiii. To consider granting general authorization to the Board (unconditional authorization or authorization subject to the terms and conditions set out in the resolution) to distribute or issue securities, or to make any share sale plans, agreements or grant any options that will or may require the issuance, distribution or sale of securities during or after the validity period of such authorization; the number of securities to be distributed or agreed to be distributed shall not exceed 20% of the total issued share capital of the Company on the date of the adoption of the resolution on the general authorization. The general authorization shall be valid until: (a) the conclusion of the first Annual Shareholders' Meeting after the adoption of the resolution, at which time such authorization shall lapse unless the meeting adopts an ordinary resolution to extend it (whether with or without conditions); or (b) the shareholders adopt an ordinary resolution at the Shareholders' Meeting to revoke or amend such authorization, whichever occurs first;

xiv. To consider other matters that shall be decided by the Shareholders' Meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Where the Company provides external guarantees ("external guarantees" refer to guarantees provided by the Company for others, including guarantees provided by the Company to its controlling subsidiaries, and external guarantees provided by the Company's wholly-owned subsidiaries and controlling subsidiaries), such guarantees shall be subject to the approval of the Shareholders' Meeting if any of the following circumstances applies:

i. Any guarantee provided after the aggregate amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the Company's latest audited net assets;

ii. Any guarantee provided after the aggregate amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 30% of the Company's latest audited total assets;

iii. Any guarantee provided by the Company to others within one year with an amount exceeding 30% of the Company's latest audited total assets;

iv. Any guarantee provided to a guarantee recipient with an asset-liability ratio exceeding 70%;

v. Any guarantee with a single guarantee amount exceeding 10% of the Company's latest audited net assets;

vi. Any guarantee provided to shareholders, actual controllers and their related parties;

vii. Other guarantee circumstances that need to be approved by the Shareholders' Meeting as stipulated by laws, regulations, the China Securities Regulatory Commission (CSRC), stock exchanges or the Articles of Association.

When the Board considers guarantee matters, the resolution shall be adopted by more than two-thirds of the directors attending the Board Meeting. When the Shareholders' Meeting considers the guarantee matters specified in item (iii) of the preceding paragraph, the resolution shall be adopted by more than two-thirds of the voting rights held by the shareholders attending the meeting.

When the Shareholders' Meeting considers a proposal for a guarantee provided to shareholders, actual controllers and their related parties, such shareholders or shareholders controlled by such actual controllers shall not participate in the voting on such proposal, and such voting shall be adopted by more than half of the voting rights held by other shareholders attending the Shareholders' Meeting.

The Company shall convene an Extraordinary Shareholders' Meeting within two months from the date of occurrence of any of the following circumstances:

i. When the number of directors is less than the statutory minimum number prescribed by the Company Law of the People's Republic of China or two-thirds of the number stipulated in the Articles of Association;

ii. When the Company's unrecovered losses reach one-third of the paid-in share capital;

iii. At the request of shareholders who individually or collectively hold more than 10% of the Company's shares;

iv. Whenever the Board deems it necessary;

v. When the Audit Committee proposes to convene;

vi. Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of the Shareholders' Meeting

Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to request the Board to convene an Extraordinary Shareholders' Meeting and shall make such request in writing to the Board. The Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide written feedback on whether it agrees to convene the Extraordinary Shareholders' Meeting within ten days of receipt of the request.

If the Board agrees to convene the Extraordinary Shareholders' Meeting, it shall issue a notice of the convening of the Shareholders' Meeting within five days after the adoption of the Board resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board disagrees to convene the Extraordinary Shareholders' Meeting or fails to provide feedback within ten days of receipt of the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee to convene the Extraordinary Shareholders' Meeting and shall make such request in writing to the Audit Committee.

If the Audit Committee agrees to convene the Extraordinary Shareholders' Meeting, it shall issue a notice of the convening of the Shareholders' Meeting within five days of receipt of the request, and any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice of the Shareholders' Meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' Meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene the Shareholders' Meeting on their own, they shall notify the Board in writing and file a record with the Shenzhen Stock Exchange. The Audit Committee or the convening shareholders shall submit the relevant certification materials to the Shenzhen Stock Exchange when issuing the notice of the Shareholders' Meeting and the announcement of the resolution of the Shareholders' Meeting.

Before the announcement of the resolution of the Shareholders' Meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

For the Shareholders' Meeting convened by the Audit Committee or shareholders on their own, the Board and the Secretary of the Board shall provide cooperation. The Board shall provide the register of shareholders as of the record date.

The expenses necessary for the Shareholders' Meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Notice of the Shareholders' Meeting

The notice of the Shareholders' Meeting shall include the following contents:

i. The time, place and duration of the meeting;

ii. The matters and proposals to be submitted to the meeting for consideration;

iii. A clear statement in prominent characters that all shareholders are entitled to attend the Shareholders' Meeting and may appoint proxies in writing to attend and vote at the meeting, and such proxies need not be shareholders of the Company;

iv. The record date for shareholding of shareholders entitled to attend the Shareholders' Meeting;

v. The name and telephone number of the permanent contact person for meeting affairs;

vi. The voting time and procedures through online or other means.

All specific contents of all proposals shall be fully and completely disclosed in the notice of the Shareholders' Meeting and supplementary notices.

Proposals of the Shareholders' Meeting

When the Company convenes a Shareholders' Meeting, the Board, the Audit Committee and shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit provisional proposals in writing to the convener ten days prior to the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days of receipt of the proposal, announce the content of the provisional proposal and submit the provisional proposal to the Shareholders' Meeting for consideration, provided that the provisional proposal does not violate the provisions of laws, administrative regulations or the Articles of Association or fall outside the scope of the powers of the Shareholders' Meeting. If the Shareholders' Meeting needs to be postponed due to the issuance of the supplementary notice of the Shareholders' Meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the convening of the Shareholders' Meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed.

Proxy at the Shareholders' Meeting

Shareholders may attend the Shareholders' Meeting in person or appoint proxies to attend and vote on their behalf.

If a natural person shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or certificates proving his/her identity; if he/she appoints a proxy to attend the meeting on his/her behalf, the proxy shall present his/her valid identity card and the shareholder's power of attorney.

A legal person shareholder shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her qualification as a legal representative; if a proxy attends the meeting, the proxy shall present his/her identity card and a written power of attorney issued in accordance with the law by the legal representative of the legal person shareholder (excluding cases where the shareholder is a recognized clearing house or its agent as defined by the relevant ordinances of Hong Kong law from time to time or the securities regulatory rules of the place where the Company's shares are listed).

The securities registration and settlement institution is entitled to appoint representatives or company representatives to attend the Shareholders' Meetings and creditors' meetings of the issuer, and such representatives or company representatives shall enjoy the same statutory rights as other shareholders, including the right to speak and vote.

Voting at the Shareholders' Meeting

Resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' Meeting shall be adopted by more than half of the voting rights held by the shareholders (including proxies) attending the Shareholders' Meeting. A special resolution of the Shareholders' Meeting shall be adopted by more than two-thirds of the voting rights held by the shareholders (including proxies) attending the Shareholders' Meeting.

Shareholders (including proxies) exercise their voting rights by the number of voting shares they represent, with each share carrying one vote.

Shares of the Company held by the Company do not carry voting rights, and such shares are not included in the total number of voting shares of the shareholders attending the Shareholders' Meeting.

In accordance with applicable laws, regulations and the Hong Kong Listing Rules, if any shareholder is required to waive voting rights on a certain resolution matter, or any shareholder is restricted to voting in favor of (or against) a certain resolution matter, the votes cast by such shareholders or their representatives in violation of the relevant provisions or restrictions shall not be included in the total number of voting shares.

The Board, independent directors, shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights.

The following matters shall be adopted by ordinary resolutions of the Shareholders' Meeting:

i. The report of the Board;

ii. The profit distribution plan and loss offset plan formulated by the Board;

iii. The appointment and removal of members of the Board and their remuneration and payment methods;

iv. Other matters except those that shall be adopted by special resolutions as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be approved by special resolutions of the Shareholders' Meeting:

i. The increase or reduction of the registered capital of the Company;

ii. The division, spin-off, merger, dissolution and liquidation of the Company;

iii. The amendment of the Articles of Association;

iv. The purchase or sale of major assets by the Company within one year or the provision of guarantees to others with an amount exceeding 30% of the Company's latest audited total assets;

v. Equity incentive plans;

vi. Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as those determined by the Shareholders' Meeting through ordinary resolutions to have a significant impact on the Company and require adoption by special resolutions.

DIRECTORS AND THE BOARD

Directors

Directors who are not representatives of employees shall be elected or replaced by the Shareholders' Meeting and may be removed from office by the Shareholders' Meeting before the expiration of their term of office, but such removal shall not affect the director's claim for damages under any contract. Directors who are representatives of employees shall be democratically elected through employee representative meetings or other forms and need not be submitted to the Shareholders' Meeting for consideration. The term of office of directors is three years, and directors may be re-elected upon the expiration of their term of office. The Company shall have independent directors. Independent directors shall perform their duties in accordance with the relevant provisions of laws, administrative regulations, the CSRC and stock exchanges.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe a fiduciary duty to the Company, take measures to avoid conflicts of interest between their own interests and the Company's interests, and shall not use their powers to seek improper interests.

Directors owe the following fiduciary duties to the Company:

i. Not to occupy the Company's property or misappropriate the Company's funds;

ii. Not to deposit the Company's funds in accounts opened in their own names or the names of other individuals;

iii. Not to accept bribes or other illegal incomes by virtue of their powers;

iv. Not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board or the Shareholders' Meeting and obtaining the resolution of the Board or the Shareholders' Meeting in accordance with the provisions of the Articles of Association;

v. Not to use the convenience of their positions to seek business opportunities that should belong to the Company for themselves or others, unless they report to the Board or the Shareholders' Meeting and obtain the resolution of the Shareholders' Meeting, or the Company cannot take advantage of such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles of Association;

vi. Not to engage in business similar to that of the Company for themselves or others without reporting to the Board or the Shareholders' Meeting and obtaining the resolution of the Shareholders' Meeting;

vii. Not to accept commissions from transactions with the Company for their own benefit;

viii. Not to disclose the Company's secrets without authorization;

ix. Not to use their associated relationships to damage the interests of the Company;

x. Other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by directors in violation of the provisions of this Article shall belong to the Company; if such violation causes losses to the Company, the directors shall be liable for compensation.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe a duty of care to the Company, and shall exercise their powers with the reasonable care that a prudent manager would normally exercise in order to maximize the Company's interests:

Directors owe the following duties of care to the Company:

i. To exercise the powers entrusted by the Company in a prudent, serious and diligent manner to ensure that the Company's business activities comply with the requirements of laws, administrative regulations and various national economic policies, and that the business activities do not exceed the business scope specified in the business license;

ii. To treat all shareholders fairly;

iii. To keep abreast of the Company's business operation and management status;

iv. To sign written confirmation opinions on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;

v. To truthfully provide relevant information and materials to the Audit Committee and not to hinder the Audit Committee from exercising its powers;

vi. Other duties of care stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Upon the effectiveness of a director's resignation or the expiration of his/her term of office, the director shall complete all handover procedures with the Board. The fiduciary duty owed by the director to the Company and shareholders shall not be automatically terminated after the expiration of the term of office, but shall remain valid for three years after the effectiveness of the resignation or the expiration of the term of office. The liability of a director for acts performed in the performance of his/her duties during the term of office shall not be exempted or terminated due to resignation. If there is any violation of relevant commitments or other acts damaging the interests of the listed company, the Board shall take necessary measures to hold the relevant personnel liable and effectively protect the interests of the listed company and minority investors.

Without the provisions of the Articles of Association or the legal authorization of the Board, no director shall act on behalf of the Company or the Board in his/her personal name. When a director acts in his/her personal name, if a third party would reasonably believe that the director is acting on behalf of the Company or the Board, the director shall declare his/her position and identity in advance.

Chairman of the Board

The Board shall have one Chairman and one Vice Chairman; the Chairman and Vice Chairman shall be elected by more than half of all directors. Independent directors shall not serve as the Chairman or Vice Chairman of the Company.

The Board

The Board shall consist of seven directors, including three independent directors and one director who is a representative of employees.

The Board shall exercise the following powers:

i. To convene the Shareholders' Meeting and report to the Shareholders' Meeting;

ii. To implement the resolutions of the Shareholders' Meeting;

iii. To determine the Company's business plans and investment plans;

iv. To formulate the Company's profit distribution plan and loss offset plan;

v. To formulate plans for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and the listing of the Company;

vi. To formulate plans for major acquisitions of the Company, the acquisition of the Company's own shares, or the merger, division, dissolution and change of corporate form of the Company;

vii. To determine, within the scope of authorization granted by the Shareholders' Meeting, matters such as the Company's external investments, purchase and sale of assets, pledge of assets, external guarantee matters, entrusted wealth management, connected transactions and external donations;

viii. To determine the establishment of the Company's internal management structure;

ix. To appoint or dismiss the General Manager, Secretary of the Board and other senior management of the Company and decide on matters relating to their remuneration, rewards and punishments; to appoint or dismiss the Deputy General Manager, Financial controller and other senior management of the Company upon the nomination of the General Manager and decide on matters relating to their remuneration, rewards and punishments;

x. To formulate the basic management system of the Company;

xi. To formulate proposals for the amendment of the Articles of Association;

xii. To manage the Company's information disclosure matters;

xiii. To propose to the Shareholders' Meeting the engagement or replacement of the accounting firm responsible for auditing the Company;

xiv. To receive the work report of the General Manager of the Company and inspect the work of the General Manager;

xv. Other powers entrusted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

A Board Meeting shall be held only if more than half of the directors are present. Resolutions of the Board must be adopted by more than half of all directors, unless otherwise stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Special Committees of the Board

The Board of the Company shall establish an Audit Committee, a Nomination Committee, a Remuneration and Evaluation Committee, and a Strategy and Development Committee. Among them, independent directors shall account for more than half of the members of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee and serve as the conveners (i.e., the chairman of the committee, the same below). The Audit Committee shall exercise the powers of the supervisors as stipulated in the Company Law of the People's Republic of China and the powers of the Audit Committee as stipulated in the Articles of Association. The Nomination Committee shall include at least one director of a different gender. The Board shall be responsible for formulating the working rules of the special committees to regulate the operation of the special committees. The composition of the special committees shall be in accordance with the provisions of laws, administrative regulations, the CSRC and stock exchanges that are in effect from time to time.

Audit Committee

The Audit Committee shall consist of three directors who do not hold senior management positions in the Company, including three independent directors, with an accounting professional among the independent directors serving as the convener. The Audit Committee shall hold at least one meeting per quarter. An extraordinary meeting may be convened at the proposal of two or more members or when the convener deems it necessary. A meeting of the Audit Committee may be held only if more than two-thirds of the members are present. Resolutions of the Audit Committee shall be adopted by more than half of the members of the Audit Committee. Voting on resolutions of the Audit Committee shall be on a one-person-one-vote basis. Minutes of the resolutions of the Audit Committee shall be prepared in accordance with the relevant provisions, and the members of the Audit Committee attending the meeting shall sign the minutes. The working rules of the Audit Committee shall be formulated by the Board.

Senior Management

The Company shall have one General Manager, who shall be appointed or dismissed by the Board. The Company may have several Deputy General Managers, who shall be appointed or dismissed by the Board. The General Manager, Deputy General Managers, Secretary of the Board and Financial controller of the Company shall be the senior management of the Company.

The General Manager shall be responsible to the Board and shall exercise the following powers:

i. To preside over the production, operation and management of the Company, organize the implementation of the resolutions of the Board and report to the Board;

ii. To submit a business report for the preparation of the annual report;

iii. To formulate the Company's annual production and operation plan, investment plan and the main measures for the realization of the plan;

iv. To organize the implementation of the Company's annual plan and investment plan;

v. To formulate plans for the establishment of the Company's internal management structure;

vi. To formulate plans for the Company's internal reform;

vii. To formulate the relevant basic management system of the Company;

viii. To formulate specific rules and regulations of the Company;

ix. To propose to the Board the appointment or dismissal of the Company's senior management;

x. To decide on the appointment or dismissal of management personnel other than those to be appointed or dismissed by the Board;

xi. To appoint or dismiss middle-level management personnel other than those to be appointed or dismissed by the Board, and formulate reward and punishment plans for them based on their work performance;

xii. In accordance with the provisions of the Articles of Association and the authorization of the Board, the General Manager of the Company shall have the right to decide on the Company's external donation amount not exceeding RMB100 million;

xiii. To formulate the wages, welfare and reward and punishment system for the Company's employees and decide on the appointment and dismissal of the Company's employees;

xiv. To sign daily administrative and business documents;

xv. To propose the convening of an extraordinary meeting of the Board;

xvi. Other powers stipulated by the Articles of Association, the securities regulatory rules of the place where the Company's shares are listed or entrusted by the Board.

The General Manager shall attend the meetings of the Board.

Qualifications and Obligations of Directors and Senior Management of the Company

A person shall not serve as a director or senior management if he/she falls under any of the following circumstances:

i. Having no capacity for civil conduct or limited capacity for civil conduct;

ii. Having been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the social economic order, or having been deprived of political rights for a crime, and the period of execution has not expired for five years; if a suspended sentence is announced, the period from the expiration of the probation period has not expired for two years;

iii. Having served as a director, factory director or manager of a company or enterprise in bankruptcy liquidation and bearing personal responsibility for the bankruptcy of such company or enterprise, and the period from the completion of the bankruptcy liquidation of such company or enterprise has not expired for three years;

iv. Having served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to illegal activities and bearing personal responsibility for such revocation or closure, and the period from the date of revocation of the business license or order to close down of such company or enterprise has not expired for three years;

v. Being listed as a person subject to enforcement for dishonesty by the people's court due to failure to repay a relatively large amount of debt when due;

vi. Having been subject to securities market entry prohibition measures by the CSRC and the period has not expired;

vii. Having been publicly identified by stock exchanges or other regulatory authorities as unfit to serve as a director, senior management of a listed company, etc., and the period has not expired;

viii. Other circumstances stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or departmental rules.

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with the provisions of laws, administrative regulations and relevant national departments.

The Company shall submit and disclose the annual report to the CSRC and the stock exchange within four months from the end of each accounting year, and submit and disclose the interim report to the local office of the CSRC and the stock exchange within two months from the end of the first half of each accounting year.

The aforementioned annual report and interim report shall be prepared in accordance with the relevant provisions of laws, administrative regulations, the CSRC and the stock exchange.

The Company shall not maintain separate accounting books other than the statutory accounting books. The assets of the Company shall not be deposited in accounts opened in the name of any individual.

When the Company distributes its after-tax profits for the year, it shall withdraw 10% of the profits and include them in the Company's statutory reserve fund. If the accumulated amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, no further withdrawal may be made.

If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall first use the current year's profits to cover the losses before withdrawing the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company withdraws the statutory reserve fund from the after-tax profits, it may also withdraw discretionary reserve funds from the after-tax profits upon the resolution of the Shareholders' Meeting.

The remaining after-tax profits of the Company after making up for losses and withdrawing reserve funds shall be distributed in proportion to the shares held by shareholders, unless the Articles of Association stipulate that the distribution shall not be made in proportion to the shareholdings.

If the Shareholders' Meeting distributes profits to shareholders in violation of the Company Law of the People's Republic of China, the shareholders shall return the profits distributed in violation of the provisions to the Company; if such violation causes losses to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Shares of the Company held by the Company shall not participate in the distribution of profits.

The Company shall appoint one or more collecting agents in Hong Kong for H-share shareholders. The collecting agent(s) shall collect and hold the dividends and other amounts payable by the Company in respect of H-shares on behalf of the relevant H-share shareholders pending payment to such H-share shareholders. The collecting agent(s) appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

The Company's reserve funds shall be used to make up for the Company's losses, expand the Company's production and operation or convert into increased registered capital of the Company. When using reserve funds to make up for the Company's losses, discretionary reserve funds and statutory reserve funds shall be used first; if the losses still cannot be made up, capital reserve funds may be used in accordance with the relevant provisions.

When the statutory reserve fund is converted into registered capital, the remaining amount of such reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

After the Shareholders' Meeting of the Company adopts a resolution on the profit distribution plan, or the Board of the Company formulates a specific plan based on the conditions and upper limit of the interim dividend distribution for the following year as considered and approved by the Annual Shareholders' Meeting, the distribution of dividends (or shares) shall be completed within two months.

The Company shall implement an internal audit system, specifying the leadership system, duties and powers, staffing, funding guarantee, application of audit results and accountability for internal audit work. Full-time auditors shall be appointed to conduct internal audit supervision over the Company's financial revenue and expenditure and economic activities.

The internal audit system of the Company and the duties of the auditors shall be implemented after approval by the Board. The person in charge of audit shall be responsible to the Board and report to the Board. The internal audit institution of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

The internal audit institution shall be responsible to the Board. In the process of supervising and inspecting the Company's business activities, risk management, internal control and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. If the internal audit institution discovers any relevant major issues or clues, it shall immediately report directly to the Audit Committee.

The Company shall engage an accounting firm that complies with the provisions of the Securities Law of the People's Republic of China and the securities regulatory rules of the place where the Company's shares are listed to conduct accounting statement audits, net asset verification and other related consulting services. The term of engagement is one year, and the engagement may be renewed.

The engagement or dismissal of an accounting firm by the Company shall be submitted to the Board for consideration after the approval of more than half of all members of the Audit Committee, and shall be decided by the Shareholders' Meeting. The Board shall not appoint an accounting firm before the decision is made by the Shareholders' Meeting.

The Company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the engaged accounting firm, and shall not refuse, conceal or falsely report.

The audit fee of the accounting firm shall be decided by the Shareholders' Meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' Meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions.

Dissolution and Liquidation of the Company

The Company shall be dissolved for the following reasons:

i. The expiration of the business term stipulated in the Articles of Association or the occurrence of other dissolution events stipulated in the Articles of Association;

ii. The adoption of a resolution on dissolution by the Shareholders' Meeting;

iii. Dissolution required due to the merger or division of the Company;

iv. The revocation of the business license, order to close down or revocation in accordance with the law;

v. If the Company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders and cannot be resolved through other means, shareholders holding more than 10% of the voting rights of the Company may request the people's court to dissolve the Company.

If the Company is dissolved due to the circumstances specified in items i, ii, iv and v of the preceding paragraph, it shall be liquidated. Directors shall be the liquidation obligors of the Company and shall form a liquidation team to conduct liquidation within 15 days from the date of the occurrence of the dissolution event. The liquidation team shall be composed of directors. If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

The liquidation team shall notify the creditors within 10 days from the date of its establishment and make an announcement in newspapers publicly issued at or above the municipal level (including municipal level) or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice is received.

When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation team shall register the claims. During the period of declaring claims, the liquidation team shall not settle with creditors.

During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The property of the Company shall not be distributed to shareholders before the settlement in accordance with the provisions of the preceding paragraph.

After liquidating the Company's property and preparing a balance sheet and a list of property, if the liquidation team finds that the Company's property is insufficient to pay off its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be implemented in accordance with the relevant laws on enterprise bankruptcy.

Amendment of the Articles of Association

The Company shall amend the Articles of Association under any of the following circumstances:

i. After the revision of the Company Law or relevant laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association conflict with the provisions of the revised laws and administrative regulations;

ii. Changes in the Company's situation that are inconsistent with the matters recorded in the Articles of Association;

iii. The adoption of a resolution on amending the Articles of Association by the Shareholders' Meeting.

If the matters of amending the Articles of Association adopted by the resolution of the Shareholders' Meeting need to be approved by the competent authority, they must be reported to the competent authority for approval; if such amendments involve the registration matters of the Company, the change registration shall be handled in accordance with the law.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

For incorporation and corporate development of our Company, see "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings" in this Prospectus.

We have established a place of business in Hong Kong at 901A, Empire center, 68 Mody rd, Tsim Sha Tsui, Hong Kong and have registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on November 12, 2025. Ms. Zeng and Ms. CHAN Wing Yan (陳詠欣) have been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to relevant laws and regulations of the PRC. For the summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association, see "Regulatory Overview" and "Summary of Articles of Association" in Appendix III in this Prospectus, respectively.

B. Changes in Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure — Corporate Development" in this Prospectus and as set out below, there has been no alteration in our share capital within two years immediately preceding the date of this Prospectus.

A repurchase mandate for the repurchase of A Shares for the purpose of 2024 Employee Stock Ownership Plan was approved by the thirty-fourth meeting of the fifth session of the Board on March 8, 2024. As of March 7, 2025, the repurchase of A Shares under the repurchase mandate was completed with a total of 12,390,800 A Shares repurchased between April 2, 2024 and March 4, 2025 at the lowest and highest price of RMB4.63 and RMB4.98 per A Share, respectively.

A repurchase mandate for the repurchase of A Shares for the purpose of the 2025 Stock Ownership Plan and potential future employee incentive plan was approved by the eleventh meeting of the sixth session of the Board on April 11, 2025. The repurchase mandate is valid for twelve months from the date of approval by the Board meeting, subject to (i) a repurchase price of up to 150% of the average price of the 30 trading days prior to the date of approval by the Board meeting and (ii) a total repurchase amount ranging from RMB0.2 billion to RMB0.4 billion. Any repurchased A Shares not granted for the purposes of employee stock ownership plan within three years after the completion of the repurchase shall be canceled. As of the Latest Practicable Date, the total of 34,031,200 A Shares had been repurchased under the repurchase mandate.

C. Shareholders' Resolutions in Relation to the Global Offering

At the extraordinary Shareholders' general meeting held on November 14, 2025, the following resolutions, among other things, were duly passed:

(1) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;

(2) the number of H Shares to be issued before the exercise of the offer size adjustment option (if applicable) and the Over-allotment Option shall not exceed 10% of the enlarged share capital of our Company upon completion of the Global Offering, and the grant of the Over-allotment Option of no more than 15% of the number of H Shares to be issued pursuant to the Global Offering;

(3) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on Listing Date; and

(4) the authorization of the Board or its authorized persons to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares on the Hong Kong Stock Exchange.

D. Further Information about Our Subsidiaries

The following alterations in the total share capital of our subsidiaries have taken place within the two years preceding the date of this Prospectus:

(1) On March 27, 2025, Salcomp Technology (Dongguan) Co., Ltd. (賽爾康技術(東莞)有限公司) was established as a limited company in the PRC with an initial registered capital of RMB100,000.

(2) On May 7, 2025, Shenzhen Lingyi Robot Technology Co., Ltd. (深圳市領益機器人科技有限公司) was established as a limited company in the PRC with an initial registered capital of RMB20 million.

(3) On May 6, 2025, Salcomp Electronics (Suzhou) Co., Ltd. (賽爾康電子(蘇州)有限公司) was established as a limited company in the PRC with an initial registered capital of RMB30 million.

(4) On June 24, 2025, Dongguan Ling Zhi Innovation Robot Technology Co., Ltd. (東莞領智創新機器人科技有限公司) was established as a limited company in the PRC with an initial registered capital of RMB20 million.

(5) On September 11, 2025, Shenzhen Lingfu Robot Technology Co., Ltd. (深圳市領福機器人科技有限公司) was established as a limited company in the PRC with an initial registered capital of RMB10 million.

(6) On May 28, 2024, Shenzhen Lingyi Liangcai Trading Co., Ltd. (深圳市領益亮彩貿易有限公司) was established as a limited company in the PRC with an initial registered capital of RMB10 million.

(7) On November 6, 2024, Suzhou Lingyu Electronic Technology Co., Ltd. (蘇州領裕電子科技有限公司) increased its registered capital from RMB599.6 million to RMB769.6 million.

(8) On December 17, 2024, Dongguan Obi-di Precision Hardware Co., Ltd. (東莞市歐比迪精密五金有限公司) increased its registered capital from RMB505 million to RMB905 million.

(9) On December 25, 2024, Yangzhou Linghuang Technology Co., Ltd. (揚州領煌科技有限公司) increased its registered capital from RMB172.5 million to RMB208.8 million.

(10) On June 19, 2025, Dongtai Lingyu Intelligent Technology Co., Ltd. (東台領裕智能科技有限公司) increased its registered capital from RMB100 million to RMB246 million.

(11) On August 15, 2025, Shenzhen Dongfang Liangcai Precision Technology Co., Ltd. (深圳市東方亮彩精密技術有限公司) increased its registered capital from RMB554.3 million to RMB898.3 million. On October 17, 2025, it increased its registered capital from RMB898.3 million to RMB1,048.3 million.

(12) On October 14, 2025, Lingyi Trading (Suzhou) Co., Ltd. (蘇州領鎰貿易有限公司) increased its registered capital from RMB100 million to RMB250 million.

(13) On June 27, 2025, TLG INVESTMENT (HK) LIMITED converted its US$175 million debt claim against Salcomp PLC into equity (non-restricted equity investment/SVOP (invested non-restricted equity fund)). The debt was recorded into capital reserve. After the conversion, the registered capital of Salcomp PLC remained unchanged at European Union 9,832,735.12. The US$175 million debt corresponded to the issuance of 18,881,085 new shares. After the issuance, the total number of shares increased to 57,904,925.

(14) On June 27, 2025, the registered capital of LINGYI VIETNAM COMPANY LIMITED increased from US$3 million to US$37 million.

(15) On January 25, 2025, LINGYI THAI NGUYEN VIET NAM COMPANY LIMITED was established with registered capital of US$9.8 million. On June 5, 2025, registered capital was reduced to US$5 million.

(16) On October 29, 2024, the registered capital of TRIUMPH LEAD GROUP USA, INC. was increased from US$1 to US$17,000,001.

(17) On October 31, 2024, the registered capital of Salcomp Energy USA Inc. was increased from US$100,000 to US$7,000,000.

(18) On August 12, 2024, the registered capital of Salcomp Manufacturing USA Corp. was increased from US$100,000 to US$10,000,000.

(19) On August 7, 2024, the registered capital of Triumph Lead (Singapore) Pte. Ltd. was increased from US$8,000,000 to US$25,000,000. On January 15, 2025, the registered capital of Triumph Lead (Singapore) Pte. Ltd. was increased from US$25,000,000 to US$34,800,000. On April 24, 2025, the registered capital of Triumph Lead (Singapore) Pte. Ltd. was increased from US$34,800,000 to US$39,800,000. On July 24, 2025, the registered capital of Triumph Lead (Singapore) Pte. Ltd. was increased from US$39,800,000 to US$69,800,000. On September 3, 2025, the registered capital of Triumph Lead (Singapore) Pte. Ltd. was increased from US$69,800,000 to US$78,150,000. On January 27, 2026, the registered capital of Triumph Lead (Singapore) Pte. Ltd. was increased from US$78,150,000 to US$89,175,000.

(20) On January 21, 2026, Beijing Lingyi Robot Technology Co., Ltd. (北京市領益機器人有限公司) was established as a limited company in the PRC with an initial registered capital of RMB30 million.

(21) On March 31, 2026, Triumph Lead Group (Thailand) Co., Ltd. was registered as a juristic person in Thailand with an initial registered capital of THB5 million.

(22) On April 23, 2026, KOODA STONE (SINGAPORE) PTE. LTD. was incorporated as a private company limited by shares with an initial registered capital of US$500,000.

(23) On April 30, 2026, READORE ITECH (SINGAPORE) PTE. LTD. was incorporated as a private company limited by shares with an initial registered capital of US$500,000.

(24) On May 20, 2026, KOODA STONE Co., Ltd. was incorporated as a juristic person in Thailand with an initial registered capital of THB5 million.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this Prospectus.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Prospectus that are or may be material:

(1) the Hong Kong Underwriting Agreement;

(2) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, GF Fund Management Co., Ltd. (廣發基金管理有限公司), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(3) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, GF International Investment Management Limited (廣發國際資產管理有限公司), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(4) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Kaide Global Investment Ltd, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(5) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Qube Master Fund Ltd, acting by its sub-investment manager, Qube Research & Technologies Hong Kong Limited, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(6) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Ti-Capital (HK) Pioneer OFC - Ti-Capital (HK) Pioneer Fund III, Ti-Capital (HK) Pioneer OFC - Ti-Capital (HK) Pioneer Fund IV, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(7) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Value Partners Hong Kong Limited, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(8) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Value Partners Limited, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(9) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Hongxing International Technology Limited (宏興國際科技有限公司), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(10) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Morgan Stanley & Co. International plc, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(11) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Greenwoods Asset Management Hong Kong Limited, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(12) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, 3W Fund Management Limited, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(13) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Deliante Holdings Co., Ltd., Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(14) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Sunny Optical Capital Limited (舜宇資本有限公司), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(15) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Honor Information Technology Limited (榮耀信息技術有限公司), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(16) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Jain Global Master Fund Ltd acting through its investment manager Jain Global LLC, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(17) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Seven Grand Managers, LLC, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(18) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Taikang Life Insurance Co., Ltd (泰康人壽保險有限責任公司), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(19) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Da Cheng International Asset Management Company Limited, Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(20) the cornerstone investment agreement dated June 15, 2026, entered into among our Company, Everbright Wealth Management Co., Ltd. (光大理財有限責任公司) (for and on behalf of its managed wealth management products), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus;

(21) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Granite Asia IX VCC (for the account of and on behalf of GX ACCESS), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus; and

(22) the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Verition Multi-Strategy Master Fund Ltd., Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Citigroup Global Markets Asia Limited, CLSA Limited and J.P. Morgan Securities (Asia Pacific) Limited, details of which are set out in the section headed "Cornerstone Investors" in this Prospectus.

B. Our Material Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks that we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Place of Registration	Registration No.	Class	Expiry Date
1 . . .	A B	The Company	Hong Kong	305384656	6, 7, 8, 9, 10, 17, 35, 36	September 7, 2030
2 . . .	A 领益智造 B 領益智造	The Company	Hong Kong	305384638	6, 7, 8, 9, 10, 17, 35, 36	September 7, 2030
3 . . .	LY i TECH	The Company	Hong Kong	305384601	6, 7, 8, 9, 10, 17, 35, 36	September 7, 2030
4 . . .	领益智造 LY iTECH	Lingyi Technology	PRC	47076599	35	May 20, 2031
5 . . .		Lingyi Technology	PRC	17122139	42	October 27, 2026
6 . . .	领益智造	Lingyi Technology	PRC	47146862	42	February 6, 2031
7 . . .	LYTECK	Lingyi Technology	PRC	29271996	6	April 27, 2029
8 . . .	领益	Lingyi Technology	PRC	29274555	6	December 27, 2028
9 . . .	CSV	Shenzhen LLmachine	PRC	20315864	7	August 6, 2027
10 . .	小Q	Shenzhen LLmachine	PRC	20316373	7	August 6, 2027
11 . .	斑鸠	Shenzhen LLmachine	PRC	20315980	7	August 6, 2027
12 . .		Shenzhen Lingpeng	PRC	65295991	7	March 6, 2033
13 . .	领鹏智能	Shenzhen Lingpeng	PRC	65292247	7	March 6, 2033
14 . .	有加	Shenzhen Lingpeng	PRC	78925205	7	February 13, 2035

Patents

As of the Latest Practicable Date, we had registered the following patents that we consider to be or may be material to our business:

No.	Patent Name	Type	Place of Registration	Registration No.	Patentee	Application Date	Expiry Date
1 . .	A manufacturing method for a VC	Invention	PRC	CN201911004124.6	Dongguan Lingjie	October 22, 2019	October 22, 2039
2 . .	A manufacturing method for a VC without a water injection port	Invention	PRC	CN201910981891.6	Dongguan Lingjie	October 16, 2019	October 16, 2039
3 . .	A stamping forming method for a VC	Invention	PRC	CN201910981901.6	Dongguan Lingjie	October 16, 2019	October 16, 2039
4 . .	An ultra-thin VC and its manufacturing method	Invention	PRC	CN201910981991.9	Dongguan Lingjie	October 16, 2019	October 16, 2039
5 . .	A semi-shearing forming method for a VC	Invention	PRC	CN201910981993.8	Dongguan Lingjie	October 16, 2019	October 16, 2039
6 . .	A manufacturing method for a VC and its internal structure	Invention	PRC	CN201911081816.0	Dongguan Lingjie	November 7, 2019	November 7, 2039
7 . .	A manufacturing method for a VC, VC, and middle-frame VC	Invention	PRC	CN202110033052.9	Dongguan Lingjie	January 11, 2021	January 11, 2041
8 . .	A low-backlash robotic reducer	Invention	PRC	CN201610140074.4	Shenzhen LLmachine	March 12, 2016	March 12, 2036
9 . .	A differential cycloidal pinwheel reducer	Invention	PRC	CN202111152080.9	Shenzhen LLmachine	September 29, 2021	September 29, 2041
10 .	A precision robotic actuator	Invention	PRC	CN202110679214.6	Shenzhen LLmachine	June 18, 2021	June 18, 2041
11 .	A linear palletizing device	Invention	PRC	CN201911264915.2	Shenzhen LLmachine	December 11, 2019	December 11, 2039
12 .	An encoder-separated direct-drive motor	Invention	PRC	CN201910166448.3	Shenzhen LLmachine	March 6, 2019	March 6, 2039
13 .	A high-precision four-axis robot	Invention	PRC	CN201910002233.8	Shenzhen LLmachine	January 2, 2019	January 2, 2039
14 .	A cycloidal pinwheel harmonic transmission device	Invention	PRC	CN201710896862.0	Shenzhen LLmachine	September 28, 2017	September 28, 2037

Domain Name

No.	Domain Name	Owner
1. .	lingyiitech.com	The Company

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which we consider material to our business.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in "Substantial Shareholders" and below, immediately following the completion of the Global Offering (assuming that no additional A Shares are issued under our 2024 Share Option Scheme), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Interests in our Company

				Immediately following the completion of the Global Offering		
Name of Shareholder	Position	Nature of Interest	Class of Shares	Number of Shares Held or Interested[(1)]	Approximate Shareholding Percentage in the A Shares[(2)] (%)	Approximate Shareholding Percentage in the Total Issued Share Capital[(2)] (%)
Mr. Jia Shuangyi (賈雙誼) . . .	Vice chairperson of the Board, executive Director and chief human resources officer	Beneficial interest	A Shares	780,000[(3)]	0.011	0.01

Name of Shareholder	Position	Nature of Interest	Class of Shares	Immediately following the completion of the Global Offering		
				Number of Shares Held or Interested[(1)]	Approximate Shareholding Percentage in the A Shares[(2)] (%)	Approximate Shareholding Percentage in the Total Issued Share Capital[(2)] (%)
Ms. Huang Jinrong (黃金榮) . . .	Executive Director (employee representative Director) and senior director of finance department	Beneficial interest	A Shares	390,000[(4)]	0.005	0.005

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of 7,308,198,680 A Shares and 811,811,880 H Shares in issue immediately after completion of the Global Offering, assuming that no additional A Shares are issued under the 2024 Share Option Scheme.

(3) Including 780,000 A Shares underlying share awards granted to Mr. Jia Shuangyi pursuant to the 2024 Employee Stock Ownership Plan (subject to the relevant conditions of the share awards).

(4) Including 390,000 A Shares underlying share awards granted to Ms. Huang Jinrong pursuant to the 2024 Employee Stock Ownership Plan (subject to the relevant conditions of the share awards).

Interest in our associated corporation

Name	Position	Name of associated corporation	Capacity/Nature of interests	Number of shares of the associated corporation	Approximate percentage of issued share capital of the associated corporation (%)
Ms. Zeng . .	Chairwoman of the Board, executive Director and general manager	Lingsheng Investment	Beneficial owner	RMB50,000,000	100.00

B. Interests of the substantial shareholders in the Shares

Interests of the substantial Shareholders in our Company

For information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will directly and/or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the Company or of any member of the Group, see "Substantial Shareholders" in this Prospectus.

Interests of the substantial Shareholders in other members of our Group

So far as our Directors are aware, save as disclosed below, no persons (other than our Directors or chief executive) will, immediately following the completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

Name of the Subsidiary	Name of the Shareholder	Approximate Percentage of Interest in the Subsidiary
Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司)	Zhang Qiang (張強)	17.78%
Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司)	Dongguan Maodan Investment Co., Ltd. (東莞市毛旦投資有限公司)	12.40%
JPMF Jiangmen Jinci Co., Ltd. (江門金磁磁材有限公司)	Jiangmen Juchuan Electronic Technology Co., Ltd. (江門市巨川電子科技有限公司)	35%
JPMF Jiangmen Jinci Co., Ltd. (江門金磁磁材有限公司)	Liu Tong (劉彤)	10%
Mianyang Weiqi Electronic Technology Co., Ltd. (綿陽市維奇電子技術有限公司)	He Shimin (何世民)	12.10%
Wenzhou Xinke Technology Co., Ltd. (溫州芯殼科技有限公司)	Zhejiang Ruixu Technology Co., Ltd. (浙江瑞旭科技有限公司)	30%
Yangzhou Lingsheng New Energy Co., Ltd. (揚州領晟新能源有限公司)	Ningde Lingsheng Investment Co., Ltd. (寧德領晟投資有限公司)	33%
Guangzhou Lingyu Equity Investment Partnership Enterprise (Limited Partnership) (廣州領宇股權投資合夥企業(有限合夥))	Shenzhen Linglue Investment Development Co., Ltd. (深圳領略投資發展有限公司)	49.97%
Dongguan Lingzhi Innovative Robot Technology Co., Ltd. (東莞領智創新機器人科技有限公司)	Zhiyuan Innovation (Shanghai) Technology Co., Ltd. (智元創新(上海)科技股份有限公司)	20%
Dongguan Jieying Precision Silicone Technology Co., Ltd. (東莞捷盈精密硅膠科技有限公司)	Foursome Enterprise Limited	20%
Anshun (Asia) Investment Limited	Foursome Enterprise Limited	20%
Jiangsu Kooda Stone Automotive Technology Co., Ltd. (江蘇科達斯特恩汽車科技股份有限公司)	Changzhou Yourong Automotive Technology Co., Ltd. (常州優融汽車科技有限公司)	27.69%

C. Particulars of Directors' service contracts or appointment letters

Each of the Directors has entered into a service contract or a letter of appointment with our Company.

Save as disclosed in "Directors and Senior Management" and above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

D. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 9 to the Accountants' Report set out in Appendix I to this Prospectus for the three financial years ended 2025, none of our Directors received other remunerations of benefits in kind from us.

E. Disclaimer

Save as disclosed in this Prospectus:

(1) Save as disclosed in "— 3. Further information about our Directors and Substantial Shareholders", none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed on the Hong Kong Stock Exchange.

(2) So far as is known to our Directors, none of our Directors or their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the number of issued shares of our Company has any interest in the five largest customers or the five largest suppliers of our Group for each year during the Track Record Period.

(3) None of our Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group taken as a whole.

(4) None of our Directors or any of the parties listed in "Qualifications of Experts" of this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been, within two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

4. A SHARE INCENTIVE PLANS

The Company has adopted the A Share Incentive Plans, including the 2022 Employee Stock Ownership Plan, the 2024 Employee Stock Ownership Plan and the 2025 Employee Stock Ownership Plan (collectively, the "Employee Stock Ownership Plans") and the 2024 Share Option Scheme, which are in effect as of the date of this Prospectus. Given that the A Share Incentive Plans will not involve the grant of options or share awards over new A Shares after Listing, the A Share Incentive Plans are not subject to provisions of Chapter 17 of the Listing Rules except for the disclosure requirement under Rule 17.12 of the Listing Rules.

A. Employee Stock Ownership Plans

As of the Latest Practicable Date, share awards ("Share Awards") representing an aggregate of 44,420,924 A Shares under the Employee Stock Ownership Plans remained outstanding.

(a) Purpose

The Employee Stock Ownership Plans are to align the interests of employees and shareholders and support the Company's long-term strategic development.

(b) Eligible Participants

The 2022 Employee Stock Ownership Plan covers up to 530 participants, including Directors (excluding independent non-executive Directors), supervisors, senior management, core management personnel of the Company, and key business and technical staff of the Company and its subsidiaries. The final list of participants is determined based on internal selection and actual participation.

The 2024 Employee Stock Ownership Plan covers up to 40 participants, including Directors (excluding independent non-executive Directors), supervisors, senior management, core management personnel of the Company, and key business and technical staff of the Company and its subsidiaries. It does not include shareholders holding more than 5% of the Shares of the Company, actual controllers, or their close relatives. The final list of participants is determined based on internal selection and actual participation.

The 2025 Employee Stock Ownership Plan covers up to 100 participants, including key business and technical staff of the Company. It does not include shareholders holding more than 5% of the Shares of the Company, actual controllers, or their close relatives. The final list of participants is determined based on internal selection and actual participation.

(c) Administration

The Board is responsible for execution and oversight of the 2022 Employee Stock Ownership Plan, with the Remuneration and Appraisal Committee tasked with drafting and revising the 2022 Employee Stock Ownership Plan. A management committee elected by the holders' meeting oversees day-to-day implementation of the 2022 Employee Stock Ownership Plan.

The highest internal management authority of the 2024 Employee Stock Ownership Plan is the holders' meeting. The holders' meeting is composed of all holders of the 2024 Employee Stock Ownership Plan. The holders' meeting elects a management committee and authorizes it to act as the manager, responsible for opening relevant accounts for the 2024 Employee Stock Ownership Plan, managing the daily operations of the 2024 Employee Stock Ownership Plan, and exercising shareholder rights on behalf of the holders of the Share Awards.

The highest internal management authority of the 2025 Employee Stock Ownership Plan is the holders' meeting. The holders' meeting is composed of all holders of the Share Awards under the 2025 Employee Stock Ownership Plan. The holders' meeting elects a management committee and authorizes it to act as the manager, responsible for managing the daily operations of the 2025 Employee Stock Ownership Plan.

(d) Source of Shares

The underlying A Shares under the Employee Stock Ownership Plans are ordinary A Shares repurchased by the Company from the secondary market through its designated repurchase account.

(e) Total Number of Shares

The 2022 Employee Stock Ownership Plan involves up to 46,000,000 A Shares, representing approximately 0.65% of the Company's total issued share capital on the date of publication of the plan.

The 2024 Employee Stock Ownership Plan involves up to 30,034,872 A Shares, representing approximately 0.43% of the Company's total issued share capital on the date of publication of the plan.

The 2025 Employee Stock Ownership Plan involves up to 26,400,000 A Shares, representing approximately 0.38% of the Company's total issued share capital on the date of publication of the plan.

The aggregate number of A Shares underlying the Share Awards granted under all effective Employee Stock Ownership Plans shall not exceed 10% of the Company's total issued share capital, and the underlying A Shares attributable to any individual participant shall not exceed 1% of the total share capital of the Company.

(f) Term

The Employee Stock Ownership Plans are valid for 60 months from the date of transfer of the last batch of A Shares to the Employee Stock Ownership Plans following approval of the respective Shareholders' meetings. It may be extended with the consent of at least two-thirds of the holders' and the Board's approval. Early termination is permitted if all shares are sold and proceeds distributed.

(g) Lock-up and Transfer Restrictions

Participants may not sell, pledge, assign, or otherwise dispose of their interests during the Employee Stock Ownership Plans' terms without approval.

(h) Purchase Price

The purchase prices for A Share underlying Share Awards granted under the 2022 Employee Stock Ownership Plan, the 2024 Employee Stock Ownership Plan and 2025 Employee Stock Ownership Plan are RMB2.36, RMB3.48 and RMB4.47 per A Share, respectively.

(i) Vesting Schedule and Conditions

The vesting schedules of the Employee Stock Ownership Plans are as follows:

Vesting Period	Percentage of Share Awards Vested under the 2022 Employee Stock Ownership Plan	Percentage of Share Awards Vested under the 2024 Employee Stock Ownership Plan	Percentage of Share Awards Vested under the 2025 Employee Stock Ownership Plan
After 12 months from the date when the draft of each Employee Stock Ownership Plan is reviewed and approved by the Company's Shareholders' general meeting, and the Company announces the transfer of the last batch of target stocks to the name of each Employee Stock Ownership Plan	30%	40%	30%
After 24 months from the date when the draft of each Employee Stock Ownership Plan is reviewed and approved by the Company's Shareholders' general meeting, and the Company announces the transfer of the last batch of target stocks to the name of each Employee Stock Ownership Plan	30%	30%	30%
After 36 months from the date when the draft of each Employee Stock Ownership Plan is reviewed and approved by the Company's Shareholders' general meeting, and the Company announces the transfer of the last batch of target stocks to the name of each Employee Stock Ownership Plan	40%	30%	40%

In addition to the above time-based conditions, the vesting of Share Awards under the Employee Stock Ownership Plans are also subject to performance-based conditions including but not limited to financial targets of the Group and individual performance evaluations.

(j) Rights and Obligations of the Company

The Company retains the right to manage participant entitlements in accordance with the Employee Stock Ownership Plans and applicable laws. It is also responsible for timely and accurate disclosure, account management, and compliance with regulatory obligations.

Details of the outstanding Share Awards granted

As of the Latest Practicable Date, the total number of A Shares underlying share awards granted under the Employee Stock Ownership Plans was 44,420,924, representing approximately 0.55% of the issued Shares immediately following the Global Offering (assuming no additional A Shares are issued pursuant to the 2024 Share Option Scheme). Details of the outstanding Share Awards granted as of the Latest Practicable Date are set out below:

Name	Position in our Group	Number of A Shares underlying the Share Awards	Date of Grant	Purchase Price	Approximate Shareholding Percentage Immediately after the Completion of the Global Offering (assuming no Additional A Shares are issued pursuant to the 2024 Share Option Scheme)
					(%)
2024 Employee Stock Ownership Plan					
Directors and Senior Management					
Mr. Jia Shuangyi . . .	Vice chairperson of the Board, executive Director and chief human resources officer	780,000	November 5, 2024	RMB3.48	0.01
Ms. Huang Jinrong	Executive Director (employee representative Director) and senior director of finance department	390,000	November 5, 2024	RMB3.48	0.005
Mr. Wang Tao . .	Financial controller and chief financial officer	780,000	November 5, 2024	RMB3.48	0.01
Mr. Guo Rui . . .	Deputy general manager and secretary of the Board	780,000	November 5, 2024	RMB3.48	0.01

Name	Position in our Group	Number of A Shares underlying the Share Awards	Date of Grant	Purchase Price	Approximate Shareholding Percentage Immediately after the Completion of the Global Offering (assuming no Additional A Shares are issued pursuant to the 2024 Share Option Scheme)
					(%)
Others					
7 grantees (600,000 Shares or fewer)	–	2,109,600	November 5, 2024	RMB3.48	0.03
2 grantees (600,001 Shares to 1,500,000 Shares)	–	2,378,400	November 5, 2024	RMB3.48	0.03
5 grantees (1,500,001 Shares or above)	–	10,802,924	November 5, 2024	RMB3.48	0.13
Sub total					
18		18,020,924	–	–	0.22
2025 Employee Stock Ownership Plan					
58 grantees (99,999 Shares or fewer)	–	1,740,200	December 19, 2025	RMB4.47	0.02
37 grantees (100,000 Shares or above)	–	24,659,800	December 19, 2025	RMB4.47	0.30
Sub total					
95		26,400,000	–	–	0.33

Notes:

(1) There is no outstanding Share Awards under the 2022 Employee Stock Ownership Plan. For vesting period, please refer to "— A Share Incentive Plans — A. Employee Stock Ownership Plans — (i) Vesting Schedule and Conditions" for details.

(2) As of the Latest Practicable Date, there are no Directors or senior management of our Company granted Share Awards under the 2025 Employee Stock Ownership Plan.

B. 2024 Share Option Scheme

As of the Latest Practicable Date, options (the "**Share Options**") representing 150,241,371 A Shares under the 2024 Share Option Scheme remained outstanding. No Share Options under the 2024 Share Option Scheme will be further granted after Listing and all granted Share Options have been granted to specific individuals under the 2024 Share Option Scheme.

(a) Purpose

In order to further improve the corporate governance structure of our Company, strengthen the incentive mechanism, and enhance the sense of responsibility and mission of our management team and key employees, the 2024 Share Option Scheme was formulated to ensure the realization of our Company's development strategy and business objectives.

(b) Type of Awards

The 2024 Share Option Scheme provides for awards of Share Options.

(c) Scope of Participants

Core employees serving in the Group are eligible to participate in the 2024 Share Option Scheme. The Remuneration and Appraisal Committee of the Board shall draw up the list of eligible participants.

(d) Administration

The Shareholders' meeting is the highest authority of the 2024 Share Option Scheme and is responsible for approving its implementation, amendment and termination. The Board is the administrative body responsible for the execution and management of the 2024 Share Option Scheme. The Remuneration and Appraisal Committee under the Board is responsible for formulating and amending the scheme and submitting it to the Board for approval.

(e) Source of Shares

The underlying Shares for the 2024 Share Option Scheme shall be A Shares of our Company to be issued by the Company to the participants.

(f) Number of Shares

The total number of Share Options granted under the 2024 Share Option Scheme is 235,757,500, representing 235,757,500 A Shares of our Company. Among them, 188,610,000 options were initially granted on September 18, 2024, and 47,147,500 options were further granted on August 6, 2025. As a result of disqualification or failure to meet the exercise conditions, 19,106,000 options were cancelled on September 8, 2025.

As of the Latest Practicable Date, the number of outstanding Share Options under the 2024 Share Option Scheme was 150,241,371, representing 150,241,371 A Shares of our Company.

(g) Date of Grant

After the 2024 Share Option Scheme has been approved by the Shareholders' meeting, the Board shall determine the date of grant, which must be a trading day. The Company shall complete the relevant procedures for determination, registration and announcement of the grant within 60 days after approval by the Shareholders' meeting. If the Company fails to complete such work within 60 days, it shall disclose the reasons and terminate the implementation of the scheme.

The authorization date for any reserved portion of options shall be determined by the Board within 12 months after the Shareholders' meeting.

(h) Exercise Price and Exercise Period

As of the Latest Practicable Date, the exercise price is RMB4.40 per A Share. The exercise price was determined based on an independent pricing method and will be adjusted upon the occurrence of certain events, including among others, increase in share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares, issue of new shares or payment of dividends.

The exercise period is one year since the Share Options are vested.

(i) Vesting Period and Conditions

The Share Options are subject to both time-based vesting conditions and performance-based vesting conditions. The vesting schedule of the 2024 Share Option Scheme is as follows:

Vesting Period	Percentage of Share Options Vested
From the first trading day after the 12th month to the last trading day within 24 months after the grant date ("The First Vesting Period")	40%
From the first trading day after the 24th month to the last trading day within 36 months after the grant date ("The Second Vesting Period")	30%
From the first trading day after the 36th month to the last trading day within 48 months after the grant date ("The Third Vesting Period")	30%

The performance conditions of the 2024 Share Option Scheme are as follows:

Exercise Period	Assessment Year	Growth in Revenue/Net Profit Attributable to Shareholders
The First Vesting Period	2024	Not less than 10% growth from 2023 to 2024
The Second Vesting Period	2025	Not less than 20% growth from 2023 to 2025
The Third Vesting Period	2026	Not less than 30% growth from 2023 to 2026

The actual exercisable portion shall depend on both evaluations from business group in the Group (the "BG-level") and individual performance evaluations:

BG-level: E/S+/S – 100%; S– – 80%; NI – 0%

Individual-level: E/S+/S – 100%; S– – 50%; NI – 0%

Actual exercisable quota = planned exercise quota × BG vesting ratio × individual vesting ratio.

Unvested Share Options due to performance failure shall be cancelled.

(j) Lock-up and Transfer Restriction

1. The Directors and senior management participating in the incentive scheme shall not transfer more than 25% of the total number of Shares they hold in the Company each year during their tenure, and shall not transfer any Shares they hold within six months after their resignation.

2. If any Director or senior management of the Company sells the Shares of the Company held by him or her within six months after purchase, or repurchases Shares within six months after sale, the proceeds derived therefrom shall belong to the Company, and the Board of the Company shall recover such proceeds.

3. Any Director or senior management participating in the incentive scheme shall comply with the relevant requirements of the Administrative Measures on Shareholding Reduction by Shareholders of Listed Companies and the Rules on the Shareholding and Changes of Shareholding of Directors and Senior Management of Listed Companies when reducing their shareholdings in the Company.

(k) Rights and Obligations of our Company

1. Our Company has the right to interpret and implement the 2024 Share Option Scheme and to evaluate participants accordingly. If a participant fails to meet the vesting conditions, the unexercised options shall be cancelled.

2. The Company undertakes not to provide any loan or financial assistance for the acquisition of options, including providing guarantees for its loans.

3. The Company shall withhold and pay personal income tax or other tax fees on behalf of participants in accordance with the relevant laws.

4. The Company shall make timely, true, accurate and complete disclosures of information related to this scheme.

5. The Company shall assist eligible participants in exercising their options but shall not be liable for any loss caused by failures attributable to regulatory bodies or clearing institutions.

6. Participation in the scheme does not constitute any guarantee of continued employment with the Company.

7. Other rights and obligations prescribed by laws and regulations.

Details of Outstanding Options Granted

As of the Latest Practicable Date, our Company had granted outstanding Share Options under the 2024 Share Option Scheme to 1,643 grantees in aggregate for 150,241,371 A Shares, representing approximately 1.85% of the total number of Shares in issue immediately after completion of the Global Offering (assuming no additional A Shares are issued under the 2024 Share Option Scheme). None of the Share Options had been exercised and therefore no Shares underlying the Share Options had been issued as of the Latest Practicable Date.

Name	Address	Number of A Shares underlying the Share Options	Date of Grant	Vesting Period and Exercise Period	Exercise Price	Approximate Shareholding Percentage Immediately Following the Global Offering
						(%)
Connected Persons						
Luo Yan (駱燕)	Room 708, Dormitory Building B, No. 1 Jingcheng 2nd Road, Yu Yuan Industrial Zone, Huangjiang Town, Dongguan City, Guangdong Province, PRC	100,000	September 18, 2024	Note 2	RMB4.40	0.001
Jia Zhenghong (賈正紅)	Room 715, Dormitory Building C, No. 1 Jingcheng 2nd Road, Yu Yuan Industrial Zone, Huangjiang Town, Dongguan City, Guangdong Province, PRC	180,000	September 18, 2024	Note 2	RMB4.40	0.002
Wang Chongqi (王崇祁)	Room 603, Dormitory Building B, No. 1 Jingcheng 2nd Road, Yu Yuan Industrial Zone, Huangjiang Town, Dongguan City, Guangdong Province, PRC	480,000	September 18, 2024	Note 2	RMB4.40	0.006
Yang Yanxiang (楊艷香)	Room 707, Dormitory Building B, No. 1 Jingcheng 2nd Road, Yu Yuan Industrial Zone, Huangjiang Town, Dongguan City, Guangdong Province, PRC	60,000	September 18, 2024	Note 2	RMB4.40	0.001
Wu Zegeng (吳澤庚)	Room 601, Dormitory Building B, No. 1 Jingcheng 2nd Road, Yu Yuan Industrial Zone, Huangjiang Town, Dongguan City, Guangdong Province, PRC	190,000	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.002
Wang Li (王利)	Room 68, Dormitory Building A, No. 529 Siwei Road, Chongzhou Economic Development Zone, Chengdu City, Sichuan Province, PRC	200,000	August 6, 2025	Note 2	RMB4.40	0.002
Other Grantees						
421 grantees (1 to 50,000 A Shares)	–	13,716,000	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.17

Name	Address	Number of A Shares underlying the Share Options	Date of Grant	Vesting Period and Exercise Period	Exercise Price	Approximate Shareholding Percentage Immediately Following the Global Offering
						(%)
805 grantees (50,001 to 100,000 A Shares) .	–	53,448,868	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.66
209 grantees (100,001 to 150,000 A Shares)	–	26,523,500	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.33
202 grantees (150,001 to 1,800,000 A Shares)	–	55,343,003	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.68
Total						
1,643 grantees(Note 1) .	–	150,241,371	–	–	–	1.85

Notes:

1. As of the Latest Practicable Date, there are no Directors or senior management of our Company granted Share Options under the 2024 Share Option Scheme.

2. The outstanding Share Options granted shall be vested in accordance with the vesting period as follows: (i) as to 40% of the aggregate number of options after the First Vesting Period; (ii) as to 30% of the aggregate number of options after the Second Vesting Period; and (iii) as to 30% of the aggregate number of options after the Third Vesting Period. The exercise period is one year since the Share Options are vested.

3. There is no grant price for the Share Options.

Such A Shares underlying the Share Options represent approximately 1.85% of the total Shares in issue immediately following the completion of the Global Offering (assuming that no additional A Shares are issued under the 2024 Share Option Scheme). Assuming full vesting and exercise of all outstanding options granted under the 2024 Share Option Scheme, the dilution effect on the shareholding of our Shareholders immediately following the completion of the Global Offering and on our earnings per Share would be approximately 1.82%.

We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules. For more details, see "Waivers and Exemptions — Waiver and Exemption in relation to the 2024 Share Option Scheme" in this Prospectus.

5. OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of HK$1,000,000 for acting as a sponsor for the Listing.

Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses in relation to the incorporation of our Company.

Promoters

The promoters of the Company are all of the 13 then Shareholders of our Company as of July 31, 2008 immediately before our conversion into a joint stock limited liability company. Within the two years immediately 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 the promoters in connection with the Global Offering and the related transactions described in this Prospectus.

Save as disclosed in "Directors and Senior Management" in this Prospectus, within the two years immediately preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this Prospectus.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see "Summary of the Articles of Association — Increase, Reduction, Repurchase and Transfer of Shares — Repurchase of Shares" in Appendix III to this Prospectus.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, operational or trading positions or prospects since December 31, 2025 (being the date to which the latest consolidated financial statements of our Group were prepared).

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinion and/or advice in this Prospectus are as follows:

Name	Qualification
Guotai Junan Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Jia Yuan Law Offices	PRC legal adviser
King & Wood	International sanctions laws legal adviser
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries 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.

Consent of Experts

Each of the experts as referred to "— Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this Prospectus with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of 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.

Bilingual Prospectus

The English and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This Prospectus is written in the English language and contains a Chinese translation for information purpose only. Should there be any discrepancy between the English language of this Prospectus and the Chinese translation, the English language version of this Prospectus shall prevail.

Miscellaneous

Save as otherwise disclosed in this Prospectus:

(a) within the two years preceding the date of this Prospectus, save as disclosed in "1. Further Information about Our Company" above, 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) save as disclosed in "4. A Share Incentive Plans" above, 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) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(d) 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;

(e) our Company has no outstanding convertible debt securities or debentures;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) save for our A Shares which are listed on the Shenzhen Stock Exchange and the H Shares to be issued in connection with the Global Offering, none of the equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(h) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(i) 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 a copy of this Prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) written consents referred to in "Appendix IV — Statutory and General Information — 5. Other Information — Consent of Experts" to this Prospectus; and

(b) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — 2. Further Information about our Business — A. Summary of Our Material Contracts."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **www.lingyiitech.com** during a period of 14 days from the date of this Prospectus:

(a) the Articles of Association;

(b) the Accountants' Report and the unaudited interim financial information prepared by Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix I and Appendix IA to this Prospectus;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;

(d) the report prepared by Rongcheng (Hong Kong) CPA Limited on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this Prospectus;

(e) the material contracts in "Appendix IV — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" to this Prospectus;

(f) the written consents referred to in "Appendix IV — Statutory and General Information — 5. Other Information — Consents of Experts" to this Prospectus;

(g) the service contracts and the letters of appointment referred to in "Appendix IV —Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — C. Particulars of Directors' service contracts or appointment letters" to this Prospectus;

(h) the PRC legal opinion issued by Jia Yuan Law Offices, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under PRC law;

(i) the legal memorandum issued by King & Wood, our international sanctions laws legal adviser;

(j) the terms of the A Share Incentive Plans;

(k) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview"; and

(l) the PRC Company Law and the Overseas Listing Trial Measures, together with their unofficial English translations.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the grantees under the 2024 Share Option Scheme will be made available for public inspection at our Company's Hong Kong legal advisor's office in Hong Kong at 35/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Prospectus.

领益智造

LY iTECH

廣東領益智造股份有限公司

LINGYI iTECH (GUANGDONG) COMPANY