



# Luxshare Precision Industry Co., Ltd. 立訊精密工業股份有限公司

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

**Stock Code : 2475**

## GLOBAL OFFERING

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



**CITIC SECURITIES**



**Goldman Sachs 高盛**



**CICC 中金公司**

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



**HSBC**



**广发证券  
GF SECURITIES**



**國信證券(香港)  
GUOSEN SECURITIES (HK)**

# IMPORTANT

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



**Luxshare Precision Industry Co., Ltd.**

**立訊精密工業股份有限公司**

(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 | : 383,472,800 H Shares (subject to the Over-allotment Option)                                                                                                                                                                              |
| Number of Hong Kong Offer Shares                 | : 38,347,300 H Shares (subject to reallocation)                                                                                                                                                                                            |
| Number of International Offer Shares             | : 345,125,500 H Shares (subject to reallocation and the Over-allotment Option)                                                                                                                                                             |
| Maximum Offer Price                              | : HK\$63.28 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                                       | : 2475                                                                                                                                                                                                                                     |

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



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**HSBC**



**广发证券**



**國信證券(香港)**

**GUOSEN SECURITIES (HK)**

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

A copy of this prospectus, having attached thereto the documents specified in "Appendix V—Documents Delivered to the Registrar of Companies and Available on Display" to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other document 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 the Company on the Price Determination Date, which is expected to be on or before Tuesday, July 7, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Tuesday, July 7, 2026 (Hong Kong time). The Offer Price will not be more than HK\$63.28 per Offer Share, unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon on Tuesday, July 7, 2026 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse. Investors applying for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK\$63.28 per Offer Share, together with brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% upon application. The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate and with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the maximum Offer Price stated in this document at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. See "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for further details. In such a case, notices of the reduction in the number of the Offer Shares and/or the maximum Offer Price will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company at [www.luxshare-ict.com](http://www.luxshare-ict.com) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day for lodging applications under the Hong Kong Public Offering. For details, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares."

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, including but not limited to the risk factors set out in the section headed "Risk Factors" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. For details, see "Underwriting—Underwriting Agreements—Hong Kong Underwriting Agreement—Grounds for Termination".

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

June 30, 2026

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## IMPORTANT

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### 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 on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “HKEXnews > New Listings > New Listing Information” section, and our website at [www.luxshare-ict.com](http://www.luxshare-ict.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 use one of the following application channels:

| Application Channel           | Platform                                                                                                                                                                                                 | Target Investors                                                                                                                                                                                                                                                                    | Application Time                                                                                                                                                                                                                |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HK eIPO White Form service. . | <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>                                                                                                                                                         | Investors 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 Tuesday, June 30, 2026 to 11:30 a.m. on Monday, July 6, 2026 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Monday, July 6, 2026 (Hong Kong time). |
| HKSCC EIPO channel . . . . .  | Your <b>broker</b> or <b>custodian</b> who is a HKSCC Participant will submit <b>electronic application instructions</b> on your behalf through HKSCC’s FINI system in accordance with your instruction. | Investors 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 <b>broker</b> or <b>custodian</b> for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.                                                                          |

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” in this prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

## IMPORTANT

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table below.

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

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

| No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/<br>successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/<br>successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/<br>successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/<br>successful allotment |
|-------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------|
|                                           | <i>HK\$</i>                                                                   |                                           | <i>HK\$</i>                                                                   |                                           | <i>HK\$</i>                                                                   |                                           | <i>HK\$</i>                                                                   |
| 100                                       | 6,391.82                                                                      | 3,500                                     | 223,713.62                                                                    | 70,000                                    | 4,474,272.51                                                                  | 3,000,000                                 | 191,754,536.40                                                                |
| 200                                       | 12,783.64                                                                     | 4,000                                     | 255,672.71                                                                    | 80,000                                    | 5,113,454.30                                                                  | 4,000,000                                 | 255,672,715.20                                                                |
| 300                                       | 19,175.45                                                                     | 4,500                                     | 287,631.81                                                                    | 90,000                                    | 5,752,636.09                                                                  | 5,000,000                                 | 319,590,894.00                                                                |
| 400                                       | 25,567.27                                                                     | 5,000                                     | 319,590.89                                                                    | 100,000                                   | 6,391,817.88                                                                  | 6,000,000                                 | 383,509,072.80                                                                |
| 500                                       | 31,959.09                                                                     | 6,000                                     | 383,509.07                                                                    | 200,000                                   | 12,783,635.75                                                                 | 7,000,000                                 | 447,427,251.60                                                                |
| 600                                       | 38,350.92                                                                     | 7,000                                     | 447,427.25                                                                    | 300,000                                   | 19,175,453.65                                                                 | 8,000,000                                 | 511,345,430.40                                                                |
| 700                                       | 44,742.73                                                                     | 8,000                                     | 511,345.43                                                                    | 400,000                                   | 25,567,271.52                                                                 | 9,000,000                                 | 575,263,609.20                                                                |
| 800                                       | 51,134.55                                                                     | 9,000                                     | 575,263.61                                                                    | 500,000                                   | 31,959,089.40                                                                 | 10,000,000                                | 639,181,788.00                                                                |
| 900                                       | 57,526.37                                                                     | 10,000                                    | 639,181.79                                                                    | 600,000                                   | 38,350,907.28                                                                 | 15,000,000                                | 958,772,682.00                                                                |
| 1,000                                     | 63,918.18                                                                     | 20,000                                    | 1,278,363.58                                                                  | 700,000                                   | 44,742,725.15                                                                 | 19,173,600 <sup>(1)</sup>                 | 1,225,541,593.05                                                              |
| 1,500                                     | 95,877.26                                                                     | 30,000                                    | 1,917,545.37                                                                  | 800,000                                   | 51,134,543.05                                                                 |                                           |                                                                               |
| 2,000                                     | 127,836.36                                                                    | 40,000                                    | 2,556,727.15                                                                  | 900,000                                   | 57,526,360.92                                                                 |                                           |                                                                               |
| 2,500                                     | 159,795.45                                                                    | 50,000                                    | 3,195,908.95                                                                  | 1,000,000                                 | 63,918,178.80                                                                 |                                           |                                                                               |
| 3,000                                     | 191,754.54                                                                    | 60,000                                    | 3,835,090.73                                                                  | 2,000,000                                 | 127,836,357.60                                                                |                                           |                                                                               |

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

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

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



## EXPECTED TIMETABLE

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company at [www.luxshare-ict.com](http://www.luxshare-ict.com).*

**Date<sup>(1)</sup>**

Hong Kong Public Offering commences . . . . . 9:00 a.m. on  
Tuesday, June 30, 2026

Latest time to complete electronic applications under the **HK eIPO**  
**White Form** service through the designated website at  
[www.hkeipo.hk](http://www.hkeipo.hk)<sup>(2)</sup> . . . . . 11:30 a.m. on  
Monday, July 6, 2026

Application lists open<sup>(3)</sup> . . . . . 11:45 a.m. on  
Monday, July 6, 2026

Latest time for (a) completing payment of **HK eIPO White Form**  
applications by effecting internet banking transfer(s) or PPS  
payment transfer(s) and (b) giving **electronic application**  
**instructions** to **HKSCC**<sup>(4)</sup> . . . . . 12:00 noon on  
Monday, July 6, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give electronic application instructions via FINI 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<sup>(3)</sup> . . . . . 12:00 noon on  
Monday, July 6, 2026

Expected Price Determination Date<sup>(5)</sup> . . . . . at or before 12:00 noon on  
Tuesday, July 7, 2026

Announcement of the Offer Price, the level of applications in 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 our website at  
[www.luxshare-ict.com](http://www.luxshare-ict.com)<sup>(6)</sup> and the website of the Stock Exchange at  
[www.hkexnews.hk](http://www.hkexnews.hk) at or before . . . . . 11:00 p.m. on  
Wednesday, July 8, 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, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at [www.luxshare-ict.com](http://www.luxshare-ict.com)<sup>(6)</sup> and [www.hkexnews.hk](http://www.hkexnews.hk), respectively. . . . . Wednesday, July 8, 2026
- from the "Allotment Results" page at the designated results of allocation at [www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) or [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result) with a "search by ID" function from . . . . . 11:00 p.m. on  
Wednesday, July 8, 2026  
to 12:00 midnight on  
Tuesday, July 14, 2026

## EXPECTED TIMETABLE

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . . Thursday, July 9, 2026 to Tuesday, July 14, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from . . . . . 6:00 p.m. on Tuesday, July 7, 2026

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before<sup>(7)(9)</sup> . . . . . Wednesday, July 8, 2026

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

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

### Notes:

- (1) All dates and times refer to Hong Kong local dates and times, except as otherwise stated. Details of the structure of the Global Offering, including conditions of the Hong Kong Public Offering, are set forth in the section headed “Structure of the Global Offering” in this prospectus.
- (2) If you have already submitted your application through the designated website at [www.hkeipo.hk](http://www.hkeipo.hk) and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close. You will not be permitted to submit your application through the designated website at [www.hkeipo.hk](http://www.hkeipo.hk) after 11:30 a.m. on the last day for submitting applications.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, July 6, 2026, the application lists will not open or close on that day. See “How to Apply for Hong Kong Offer Shares —E. Severe Weather Arrangements” for details.
- (4) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS or instructing your **broker** or **custodian** to apply on your behalf via CCASS should refer to “How to Apply for Hong Kong Offer Shares—A. Application for Hong Kong Offer Shares—2. Application Channels” in this prospectus.
- (5) The Price Determination Date is expected to be on or before Tuesday, July 7, 2026 and, in any event, not later than 12:00 noon on Tuesday, July 7, 2026. If, for any reason, we do not agree with the Overall Coordinators (for themselves and on behalf of the Underwriters) on the pricing of the Offer Shares by 12:00 noon on Tuesday, July 7, 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 provided that the Global Offering has become unconditional in all respects and neither of the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with its respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Thursday, July 9, 2026. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.
- (8) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application.

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## EXPECTED TIMETABLE

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

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

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

**The above expected timetable is a summary only. For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please refer to the sections headed “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus, respectively.**

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

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

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

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## SUMMARY

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

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

### OVERVIEW

We are the largest provider of precision intelligent manufacturing solutions (PIMS) in the Chinese Mainland, and the fifth largest globally, in terms of revenue in 2025, according to Frost & Sullivan. As an innovative technology company, we provide cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other end markets. In particular, we rank second globally and first in Chinese Mainland in the PIMS market for consumer electronics components and modules in terms of revenue in 2025, with a global market share of 11.2% according to Frost & Sullivan.

We have built an all-round development and intelligent manufacturing platform. By engaging deeply across every stage of our clients’ product lifecycle, from design, R&D, manufacturing, to after-sales support, we have become a trusted partner empowering top brands in each of our main markets around the world, including all of the top 10 consumer electronics brands, top 5 automotive electronics brands and top 5 communication and data center brands in the world and over 100 Fortune Global 500 companies.

Our journey began with precision components for consumer electronics. Through organic growth, acquisitions and strategic cooperation, we expanded our product portfolio and application scenarios, and evolved into a multidisciplinary PIMS powerhouse, providing vertically integrated PIMS for all major categories of consumer electronics, including smartphones, laptops, tablets, smart wearables, intelligent acoustic terminals, smart home devices and outdoor electronics. While solidifying our leadership in consumer electronics, we have successfully replicated our proven model into automotive electronics, and communication and data centers. As of the Latest Practicable Date, we had the most comprehensive and diversified product portfolio among global PIMS providers according to Frost & Sullivan, covering over 500 product categories under the Harmonized System Codes. With our scaled and diversified business, we are positioned to capture market opportunities in other frontier industries such as AI intelligent terminals, 3D printing, the low-altitude economy and robotics.

### OUR STRENGTHS

We attribute our success to our: (i) innovation capabilities driving industry development; (ii) convergent innovation and integrated R&D capabilities; (iii) intelligent development and manufacturing system; (iv) exceptional acquisition and integration capabilities; (v) deeply rooted global presence; (vi) mutually beneficial relationship with clients; and (vii) visionary leadership and experienced, stable management team.

For details, see “Business—Our Strengths.”

### OUR STRATEGIES

We plan to: (i) increase R&D and innovation efforts to consolidate our leading position in the PIMS industry; (ii) continue to go global and enhance our globalized service and delivery capabilities; (iii) upgrade our development and intelligent manufacturing platform to enhance production efficiency and realize green manufacturing; and (iv) continue with vertical integration and industry expansion.

For details, see “Business—Our Strategies.”

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## SUMMARY

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### OUR PRODUCTS AND SOLUTIONS

We provide cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients in consumer electronics, automotive electronics, communication and data centers, and beyond.

For details, see “Business—Our Products and Solutions.”

### COMPETITIVE LANDSCAPE

We compete in the large and highly competitive global PIMS industry. Our competitors include PIMS providers focusing on industries such as consumer electronics, automotive electronics and communication and data centers. Key competitive factors in such industries include technical expertise and innovative R&D capabilities, product development capabilities such as the ability to meet technological iteration demands of miniaturization for consumer electronics, and provide high-performance support. For details, see “Industry Overview.”

### OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, we derived all our revenue from direct sales to customers. Revenue generated from our five largest customers for each year of the Track Record Period was RMB191.2 billion, RMB211.0 billion and RMB216.2 billion in 2023, 2024 and 2025, respectively, accounting for 82.4%, 78.5% and 65.0%, respectively, of our total revenue in the same years. In addition, revenue generated from our largest customer in the same years was RMB174.5 billion, RMB190.1 billion and RMB188.4 billion, respectively, accounting for 75.2%, 70.7% and 56.7%, respectively, of our total revenue in the same years. Purchases from our five largest suppliers for each year of the Track Record Period amounted to RMB115.3 billion, RMB131.2 billion and RMB132.0 billion in 2023, 2024 and 2025, respectively, representing 65.2%, 62.3% and 53.0% of our total purchases, respectively. In addition, the purchases from our largest supplier for the same years amounted to RMB109.5 billion, RMB117.9 billion and RMB113.9 billion, respectively, representing 61.9%, 56.0% and 45.7% of our total purchases for the corresponding years, respectively. To the best information and knowledge of our Directors, none of our Directors and their respective close associates or any of the Shareholders holding more than 5% of our Company’s share capital as of the Latest Practicable Date has any interest in any of our five largest customers (other than Lizhen Business) or five largest suppliers during the Track Record Period. For details, see “Business—Our Customers” and “Business—Our Suppliers.”

#### Relationship with Customer A / Supplier A

Customer A / Supplier A was our largest customer/supplier for each year of the Track Record Period. Our Directors are of the view that the likelihood of any material adverse change in our business relationship with Customer A / Supplier A is low, because such relationship is long-term and mutually beneficial. During the Track Record Period, revenue from Customer A / Supplier A as a percentage of our revenue decreased significantly. While we expect Customer A / Supplier A to remain as our largest customer in the foreseeable future, we expect the revenue from Customer A / Supplier A as a percentage of our total revenue to continue to decrease. For details, see “Business—Our Customers—Relationship with Customer A / Supplier A.”

#### 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. For details, see “Business—Our Suppliers—Overlapping Customers and Suppliers.”

### OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Our Company has been listed on the Shenzhen Stock Exchange since September 2010. Since our listing on the Shenzhen Stock Exchange and as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities

## SUMMARY

laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors and having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention. Our PRC Legal Advisors are of the view that during the Track Record Period and up to the Latest Practicable Date, we have complied with the relevant laws and regulations on A-share listing applicable to us in all material respects. Based on the above, our Directors are of the view that we had complied with the applicable listing rules and securities laws and regulations with respect to our Company's 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 view of our PRC Legal Advisors as disclosed above and the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date.

### OUR CONTROLLING SHAREHOLDERS AND CONTINUING CONNECTED TRANSACTIONS

As of the Latest Practicable Date, our Company was held as to (i) approximately 37.32% by Luxshare Limited, a company owned as to 50% by Ms. Wang and 50% by Mr. Wang; and (ii) approximately 0.27% by Mr. Wang. Immediately upon completion of the Global Offering, assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date, Ms. Wang, Mr. Wang and Luxshare Limited will control in aggregate approximately 35.73% of the total issued share capital of our Company. Accordingly, Ms. Wang, Mr. Wang and Luxshare Limited constitute a group of our Controlling Shareholders under the Listing Rules. For details, see "Relationship with Our Controlling Shareholders."

We have entered into certain transactions which would constitute continuing connected transactions of our Company under the Listing Rules upon the Listing. We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For details, see "Connected Transactions."

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the Accountants' Report set out in Appendix I to this prospectus, including the related notes.

#### Selected Items from Consolidated Statements of Profit or Loss

The following table sets forth selected items from consolidated statements of profit or loss and other comprehensive income for the years indicated:

|                                           | Year ended December 31, |              |               |              |               |              |
|-------------------------------------------|-------------------------|--------------|---------------|--------------|---------------|--------------|
|                                           | 2023                    |              | 2024          |              | 2025          |              |
|                                           | (RMB'000)               | % of revenue | (RMB'000)     | % of revenue | (RMB'000)     | % of revenue |
| Revenue . . . . .                         | 231,905,460             | 100.0        | 268,794,738   | 100.0        | 332,344,443   | 100.0        |
| Cost of sales . . . . .                   | (206,167,687)           | (88.9)       | (241,725,138) | (89.9)       | (293,900,603) | (88.4)       |
| Gross profit . . . . .                    | 25,737,773              | 11.1         | 27,069,600    | 10.1         | 38,443,840    | 11.6         |
| Selling expenses . . . . .                | (889,024)               | (0.4)        | (1,059,677)   | (0.4)        | (2,333,997)   | (0.7)        |
| General and administrative expenses . . . | (6,162,485)             | (2.7)        | (7,052,941)   | (2.6)        | (11,261,856)  | (3.4)        |
| R&D expenses . . . . .                    | (8,188,768)             | (3.5)        | (8,555,957)   | (3.2)        | (11,428,041)  | (3.4)        |
| Profit for the year . . . . .             | 12,243,213              | 5.3          | 14,579,044    | 5.4          | 18,170,237    | 5.5          |

Our profit for the year increased by 19.1% from RMB12.2 billion in 2023 to RMB14.6 billion in 2024, and by 24.6% from RMB14.6 billion in 2024 to RMB18.2 billion in 2025. This continuous increase in our profit for the year was mainly attributable to (i) strong organic growth, driven by expansion of our global customer base, rising order scale and growing industry trend; and (ii)

## SUMMARY

successful mergers and acquisitions, which further diversified our customer base and drove up sales volume, leading to the increase in our revenue and gross profit. See “Financial Information—Consolidated Statements of Profit or Loss and Other Comprehensive Income” for details.

### Revenue

During the Track Record Period, we derived revenue from four business lines, including sales of (i) consumer electronics products and solutions; (ii) automotive electronics products and solutions; (iii) communication and data center products and solutions; and (iv) others, mainly consisting of components and modules for medical devices and industrial equipment.

The following table sets forth a breakdown of our revenue generated from four different business lines in absolute amounts and as percentages of our total revenue for the years indicated:

|                                          | Year ended December 31, |              |                    |              |                    |              |
|------------------------------------------|-------------------------|--------------|--------------------|--------------|--------------------|--------------|
|                                          | 2023                    |              | 2024               |              | 2025               |              |
|                                          | (RMB'000)               | % of revenue | (RMB'000)          | % of revenue | (RMB'000)          | % of revenue |
| Consumer electronics . . . . .           | 204,675,728             | 88.3         | 233,096,020        | 86.7         | 264,265,914        | 79.5         |
| — components and modules . . . . .       | 126,160,256             | 54.4         | 147,756,874        | 55.0         | 171,994,536        | 51.8         |
| — systems . . . . .                      | 78,515,472              | 33.9         | 85,339,146         | 31.7         | 92,271,378         | 27.7         |
| Automotive electronics . . . . .         | 9,252,369               | 3.9          | 13,757,629         | 5.1          | 39,255,372         | 11.8         |
| Communication and data centers . . . . . | 14,538,256              | 6.3          | 18,359,940         | 6.9          | 24,567,610         | 7.4          |
| Others <sup>(1)</sup> . . . . .          | 3,439,107               | 1.5          | 3,581,149          | 1.3          | 4,255,547          | 1.3          |
| <b>Total . . . . .</b>                   | <b>231,905,460</b>      | <b>100.0</b> | <b>268,794,738</b> | <b>100.0</b> | <b>332,344,443</b> | <b>100.0</b> |

Note:

- (1) Consisting of components and modules for medical devices, industrial equipment, outdoor power equipment, robotics, new energy storage and other markets.

During the Track Record Period, our revenue increased continuously, mainly driven by our ability to meet increased customers’ demand, diversification of our product and solution offerings, and the broadening of our end market applications.

### Revenue by Geographic Region

During the Track Record Period, we had revenue from both customers incorporated in Chinese Mainland and outside of Chinese Mainland, including Europe, North and Central America, other parts of Asia and other regions. The following table sets forth a breakdown of our revenue by geographic region based on the place of registration of our customers in absolute amounts and as percentages of our total revenue for the years indicated:

|                                                            | Year ended December 31, |                  |                    |                  |                    |              |
|------------------------------------------------------------|-------------------------|------------------|--------------------|------------------|--------------------|--------------|
|                                                            | 2023                    |                  | 2024               |                  | 2025               |              |
|                                                            | (RMB'000)               | % of revenue     | (RMB'000)          | % of revenue     | (RMB'000)          | % of revenue |
| Europe <sup>(1)</sup> . . . . .                            | 90,987,715              | 39.2             | 93,134,443         | 34.7             | 107,121,665        | 32.2         |
| North and Central America <sup>(2)</sup> . . . . .         | 75,048,479              | 32.4             | 85,438,989         | 31.8             | 99,295,810         | 29.9         |
| Asia (excluding Chinese Mainland) <sup>(3)</sup> . . . . . | 29,904,124              | 12.9             | 47,080,871         | 17.5             | 67,135,595         | 20.2         |
| Others <sup>(4)</sup> . . . . .                            | 108,020                 | — <sup>(5)</sup> | 125,045            | — <sup>(5)</sup> | 228,876            | 0.1          |
| <b>Sub-total . . . . .</b>                                 | <b>196,048,338</b>      | <b>84.5</b>      | <b>225,779,348</b> | <b>84.0</b>      | <b>273,781,946</b> | <b>82.4</b>  |
| Chinese Mainland . . . . .                                 | 35,857,122              | 15.5             | 43,015,390         | 16.0             | 58,562,497         | 17.6         |
| <b>Total . . . . .</b>                                     | <b>231,905,460</b>      | <b>100.0</b>     | <b>268,794,738</b> | <b>100.0</b>     | <b>332,344,443</b> | <b>100.0</b> |

Notes:

- (1) Including Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, North Macedonia, Norway, Poland, Portugal, Republic of Ireland, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine (excluding the Crimea, Kherson, Luhansk, Donetsk and Zaporizhzhia regions) and United Kingdom.

## SUMMARY

- (2) Including Canada, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Saint Lucia and the United States.
- (3) Including Cambodia, Hong Kong of China, India, Indonesia, Israel, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan of China, Thailand, Türkiye, United Arab Emirates and Vietnam.
- (4) Including Algeria, Argentina, Australia, Chile, Colombia, Egypt, Federative Republic of Brazil, Kenya, Morocco, New Zealand, South Africa and Tunisia.
- (5) Less than 0.1%

During the Track Record Period, revenue from sales to customers incorporated outside of Chinese Mainland constituted a majority of our total revenue. The total revenue from sales to customers outside of Chinese Mainland for 2023, 2024 and 2025 was RMB196.0 billion, RMB225.8 billion, and RMB273.8 billion, respectively. This represented 84.5%, 84.0%, and 82.4% of our total revenue during the same years, respectively, remaining relatively stable during the Track Record Period, representing successful implementation of our strategy to continuously develop and maintain relationships with customers on a global scale. Our revenue generated from sales to customers in the United States amounted to RMB74.5 billion, RMB85.0 billion and RMB97.8 billion in 2023, 2024 and 2025, representing 32.1%, 31.6% and 29.4% of our total revenue during the same years, respectively.

### Gross Profit and Gross Profit Margin by Business Line

The following table sets forth our gross profit and gross profit margin by business line for the years indicated:

|                                          | Year ended December 31, |                     |                   |                     |                   |                     |
|------------------------------------------|-------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
|                                          | 2023                    |                     | 2024              |                     | 2025              |                     |
|                                          | Gross profit            | Gross profit margin | Gross profit      | Gross profit margin | Gross profit      | Gross profit margin |
|                                          | (RMB'000)               | %                   | (RMB'000)         | %                   | (RMB'000)         | %                   |
| Consumer electronics . . . . .           | 21,385,759              | 10.4                | 21,274,953        | 9.1                 | 27,104,214        | 10.3                |
| Automotive electronics . . . . .         | 1,451,088               | 15.7                | 2,178,249         | 15.8                | 6,109,522         | 15.6                |
| Communication and data centers . . . . . | 2,253,307               | 15.5                | 2,940,330         | 16.0                | 4,451,125         | 18.1                |
| Others . . . . .                         | 647,619                 | 18.8                | 676,068           | 18.9                | 778,979           | 18.3                |
| <b>Total/Overall . . . . .</b>           | <b>25,737,773</b>       | <b>11.1</b>         | <b>27,069,600</b> | <b>10.1</b>         | <b>38,443,840</b> | <b>11.6</b>         |

For details, see “Financial Information—Consolidated Statements of Profit or Loss and Other Comprehensive Income.”

### 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'000)   |             |
| Total non-current assets . . . . .              | 67,763,972         | 85,282,340  | 110,520,700 |
| Total current assets . . . . .                  | 94,228,128         | 138,545,246 | 196,016,975 |
| Total current liabilities . . . . .             | 74,835,111         | 113,874,524 | 176,488,134 |
| Net current assets . . . . .                    | 19,393,017         | 24,670,722  | 19,528,841  |
| Total assets less current liabilities . . . . . | 87,156,989         | 109,953,062 | 130,049,541 |
| Total non-current liabilities . . . . .         | 16,872,124         | 25,265,937  | 26,029,308  |
| Net assets . . . . .                            | 70,284,865         | 84,687,125  | 104,020,233 |
| Non-controlling interests . . . . .             | 13,974,680         | 15,360,115  | 19,099,129  |

We had net current assets of RMB19.5 billion as of December 31, 2025, consisting of current assets of RMB196.0 billion and current liabilities of RMB176.5 billion, which represented a decrease of RMB5.1 billion from our net current assets of RMB24.7 billion as of December 31, 2024. This was primarily attributable to an increase in current borrowings. We had net current assets of RMB24.7

## SUMMARY

billion as of December 31, 2024, consisting of current assets of RMB138.5 billion and current liabilities of RMB113.9 billion, which represented an increase of RMB5.3 billion from our net current assets of RMB19.4 billion as of December 31, 2023. This was primarily attributable to an increase in cash and cash equivalents and term deposits, partially offset by an increase in trade and note payables. For details, see “Financial Information—Net Current Assets.”

Our net assets increased from RMB70.3 billion as of December 31, 2023 to RMB84.7 billion as of December 31, 2024, primarily due to (i) profit for the year of RMB14.6 billion; and (ii) an increase in equity resulting from the exercise of share options and awards under our share incentive scheme, which contributed RMB1.8 billion to additional paid-in capital, partially offset by dividends declared during the relevant year in the amount of RMB2.3 billion. Our net assets further increased from RMB84.7 billion as of December 31, 2024 to RMB104.0 billion as of December 31, 2025, primarily driven by (i) the profit for the year of RMB18.2 billion; (ii) an increase in equity resulting from the changes in our Group’s ownership interest in existing investment, mainly including our investments in certain non-major subsidiaries such as Time Interconnect Technology Limited and Speed Tech Technology Co., Ltd, of RMB2.7 billion; and (iii) an increase in equity resulting from the exercise of share options and awards under our share incentive scheme, which contributed RMB1.4 billion to additional paid-in capital, partially offset by dividends declared in 2025 in the amount of RMB2.8 billion for the full year of 2024 and the first three quarters of 2025.

### Summary of Consolidated Statement of Cash Flows

The following table sets forth a summary of our cash flows during the years indicated:

|                                                                   | Year ended December 31, |                   |                   |
|-------------------------------------------------------------------|-------------------------|-------------------|-------------------|
|                                                                   | 2023                    | 2024              | 2025              |
|                                                                   |                         | (RMB'000)         |                   |
| Net cash generated from operating activities .                    | 27,605,058              | 27,116,910        | 17,325,330        |
| Net cash used in investing activities . . . . .                   | (19,559,912)            | (35,656,073)      | (24,206,597)      |
| Net cash generated from financing activities .                    | 4,070,266               | 25,890,442        | 19,289,644        |
| Net increase in cash and cash equivalents . .                     | 12,115,412              | 17,351,279        | 12,408,377        |
| Cash and cash equivalents at the beginning of the year . . . . .  | 17,312,418              | 29,684,152        | 47,267,103        |
| Effect of foreign exchange rate changes, net .                    | 256,322                 | 231,672           | (334,867)         |
| <b>Cash and cash equivalents at the end of the year . . . . .</b> | <b>29,684,152</b>       | <b>47,267,103</b> | <b>59,340,613</b> |

For details, see “Financial Information—Liquidity and Capital Resources—Cash Flows.”

### Key Financial Ratio

|                                   | As of/For the year ended December 31, |      |      |
|-----------------------------------|---------------------------------------|------|------|
|                                   | 2023                                  | 2024 | 2025 |
| <b>Profitability ratios</b>       |                                       |      |      |
| Gross profit margin (%) . . . . . | 11.1                                  | 10.1 | 11.6 |
| Net profit margin (%) . . . . .   | 5.3                                   | 5.4  | 5.5  |
| Return on equity (%) . . . . .    | 21.5                                  | 21.3 | 21.5 |
| <b>Liquidity ratios</b>           |                                       |      |      |
| Current ratio (times) . . . . .   | 1.3                                   | 1.2  | 1.1  |
| Quick ratio (times) . . . . .     | 0.9                                   | 0.9  | 0.9  |

For details, see “Financial Information—Key Financial Ratios.”



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## SUMMARY

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### DIVIDENDS

We are incorporated under the laws of the PRC. Our Company has adopted a dividend policy to provide a clear framework for the declaration and payment of dividends. Pursuant to our dividend policy, we may declare dividends after appropriations of statutory and surplus reserves and may be paid in cash, shares or a combination thereof, with priority given to cash dividends, subject to applicable laws and distributable profits. In the absence of material capital expenditure requirements, we shall distribute cash dividends, with annual cash dividends of no less than 10% of distributable profits for the relevant year and aggregate cash dividends for the most recent three years of no less than 30% of the average annual distributable profits for those three years. Cash dividends may be implemented only if the conditions under our dividend policy are satisfied, including positive profits after appropriation of reserves and making up of losses, an unqualified audit report for the relevant year, no material adverse impact on our operations or cash flow arrangements, positive accumulated distributable profits and accumulated distributable profits per share for the year of no less than RMB0.1. The specific dividend plan shall be proposed by our Board and submitted to our Shareholders for approval where required.

The dividend declared for 2023, 2024 and 2025 was RMB2,153.4 million, RMB1,449.5 million, and RMB2,183.8 million (including RMB1,165.1 million declared for the first three quarters of 2025 and RMB1,018.7 million declared for the fourth quarter of 2025), respectively. As of the Latest Practicable Date, save for the dividend declared for the fourth quarter of 2025 of RMB1,018.7 million, we had paid such declared dividends in full.

### RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

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

Our revenue increased by 35.8% from RMB61.8 billion for the three months ended March 31, 2025 to RMB83.9 billion for the three months ended March 31, 2026, primarily due to an increase in sales through organic growth and the consolidation of newly acquired subsidiaries. Our gross profit increased by 48.0% from RMB6.5 billion for the three months ended March 31, 2025 to RMB9.6 billion for the three months ended March 31, 2026, and our gross profit margin increased from 10.5% to 11.4% over the same periods. Our profit for the period attributable to owners of the Company increased by 20.2% from RMB3.0 billion for the three months ended March 31, 2025 to RMB3.7 billion for the three months ended March 31, 2026.

Our unaudited condensed consolidated interim financial information for the three months ended March 31, 2026 has been reviewed by our Reporting Accountants 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. For details, see Appendix IA to this prospectus.

#### Dividend

In April 2026, our Board approved the “Proposal on the Profit Distribution for 2025,” pursuant to which we will distribute cash dividends in an aggregate amount of RMB2,183,788,346.08 (including RMB1,165.1 million for the first three quarters and RMB1,018.7 million for the fourth quarter) for 2025, with the remaining undistributed profits carried forward for distribution in subsequent years. As of the Latest Practicable Date, we had paid the dividend declared for the first three quarters of 2025 of RMB1,165.1 million in full.

#### Tariffs

Various countries have announced plans for and/or have already implemented new or modified tariffs. Particularly, the U.S. government has advocated greater restrictions on international trade and has increased the tariffs on certain goods imported into the U.S., particularly from the PRC. For example, after Donald Trump became the U.S. president again in January 2025, the United States imposed several rounds of additional tariffs on Chinese products, i.e. the products manufactured in China, which the U.S. Customs and Border Protection (the “U.S. Customs”) considers to be “of Chinese origin” under applicable U.S. law. In response, China implemented countermeasures by



## SUMMARY

imposing additional tariffs on all imports from the United States. Effective May 14, 2025, the U.S. agreed to reduce its maximum tariff on Chinese imports from 145.0% to 30%. This maximum tariff consisted of a 125% “reciprocal” tariff effective April 10, 2025 in retaliation for Chinese tariffs imposed in response to the U.S. administration’s April 2, 2025 reciprocal tariff of 84%, plus a so-called “fentanyl” tariff of 20%, subject to certain exceptions. Most Chinese products, including our Chinese products, were subject to these tariffs between April 10, 2025 and May 14, 2025. The reduced rates that took effect on May 14, 2025 included a 10% baseline levy, along with an additional 20% levy based upon alleged activity related to fentanyl distribution. In parallel, China lowered its 125% tariff on American imports to 10%. Following the talks in Stockholm, the U.S. and China agreed to seek an extension of their 90-day tariff truce, and the parties agreed to a further 90 day extension on August 11, 2025. The U.S. president threatened on October 10, 2025 to impose an additional 100% tariff on Chinese imports into the United States effective November 1, 2025, but he walked back that threat subsequently. The United States and China reached an agreement on October 30, 2025 that maintained the 10% baseline levy and lowered the 20% U.S. tariff on China concerning fentanyl to 10% effective November 10, 2025 through November 10, 2026. Although the U.S. Supreme Court struck down the U.S. administration’s “reciprocal” and “fentanyl” tariffs on February 20, 2026, the U.S. administration’s position is that the rates agreed under previous trade agreements, including those with China and Vietnam, continue to apply. In addition, the U.S. as of February 24, 2026 also imposed a so-called “global” tariff of 10% (which the U.S. president later said he was raising to 15%), but a court decision struck this down on May 7, 2026, and the U.S. president has said that he will continue to adhere to the agreement announced on October 30, 2025 that imposed a 20% additional tariff on Chinese products. Uncertainty remains on what U.S. tariffs on Chinese products will be in the long run.

The table below sets forth the major products we sell from China to the U.S. market and the evolution over time of the base and maximum U.S. tariff rates applicable to these products, including base tariffs, Section 301 tariffs and other tariffs (imposed either as “reciprocal” or “fentanyl” tariffs or agreed to by the U.S. and China on October 30, 2025):

| Products                                                                             | Tariff Code | Base tariff | Maximum U.S. tariff prior to April 10, 2025 | Maximum U.S. tariff from April 10, 2025 to May 13, 2025 | Maximum U.S. tariff from May 14, 2025 to the Latest Practicable Date |
|--------------------------------------------------------------------------------------|-------------|-------------|---------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------|
| Wearable computer . . . . .                                                          | 847141      | 0           | 7.5%                                        | 152.5%                                                  | 27.5%                                                                |
| Connecting wire, cable connection cord . . . . .                                     | 854442      | 2.6%        | 27.6%                                       | 172.6%                                                  | 47.6%                                                                |
| Antennas . . . . .                                                                   | 851771      | 0           | 7.5%                                        | 152.5%                                                  | 27.5%                                                                |
| Battery modules . . . . .                                                            | 850790      | 3.4%        | 28.4%                                       | 173.4%                                                  | 48.4%                                                                |
| Computer with card reader . . . .                                                    | 847180      | 0           | 25%                                         | 170%                                                    | 45%                                                                  |
| Smart watch, router, wireless signal receiver, wireless positioning device . . . . . | 851762      | 0           | 25%                                         | 170%                                                    | 45%                                                                  |
| Bluetooth, Wi-Fi player . . . . .                                                    | 851981      | 0           | 25%                                         | 170%                                                    | 45%                                                                  |
| Other machines and apparatus .                                                       | 854370      | 2.6%        | 27.6%                                       | 172.6%                                                  | 47.6%                                                                |

Smart watches are classified by U.S. Customs under HS Code 851762 as telecommunication apparatus, rather than under HS Code 847141, which covers certain automatic data processing machines, because their essential characteristic is considered to be wireless communication rather than computing. While smart watches can process data, their primary function is the transmission of voice and data, with computing regarded as ancillary. Their data-processing capabilities are generally limited to functions such as health monitoring and other specific applications. By contrast, U.S. Customs has ruled that wearable products whose primary characteristic is not telecommunication, such as smart glasses, should be classified as wearable computers under headings 8471 (including 847141). The determining factor is whether telecommunication or data processing constitutes the product’s primary characteristic. Responsibility for product classification and tariff reporting rests with the importer of record.

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## SUMMARY

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During the Track Record Period and prior to April 9, 2025, our Vietnamese products sold to the U.S. were subject to the base tariffs set out in the above table. Between April 9, 2025 and July 8, 2025, they were subject to the base tariff rates plus 10%. The U.S. administration threatened to raise the 10% additional tariff to 46%, but an agreement was implemented on August 7, 2025 setting such additional tariff at 20%. These tariffs (between 20% and 23.4% depending upon product type) have applied to our Vietnamese products sold to the U.S. from August 7, 2025 to date. “Vietnamese products” refers to the products manufactured in Vietnam, which U.S. Customs considers to be “of Vietnamese origin” under applicable U.S. laws.

Under the U.S. tariff regulations, the importers of record shall pay the import duties. During the Track Record Period and up to the Latest Practicable Date, we had not been the importer of record of our products imported into the U.S., and the U.S. customers buying our products were the importers of record. Therefore, the U.S. customers bear the tariffs, and our sales agreements do not give the U.S. customers the right to reimbursement of such duties. “U.S. customers” refers to the customers who buy our products and receive shipment in the United States. Such shipments are those subject to U.S. tariffs.

Our Directors are of the view that the tariffs have not had any material adverse impact on our business, results of operations or financial condition on the following bases: (i) during the Track Record Period, our revenue from sales of Chinese products to the U.S. was US\$1,566 million, US\$1,408 million and US\$703 million, accounting for 4.78%, 3.77% and 1.49% of our total revenue in 2023, 2024 and 2025, respectively; (ii) with respect to such sales, the U.S. customers buying our products were the importers of record and bore the tariffs; (iii) our major U.S. customers are not entitled to seek reimbursement of U.S. tariffs they paid pursuant to the sales agreements, and during the Track Record Period and up to the Latest Practicable Date, none of our U.S. customers had requested us to reimburse them for the U.S. tariffs they paid; (iv) during the Track Record Period and up to the Latest Practicable Date, none of our U.S. customers had requested a product return as a result of the additional U.S. tariffs; and (v) during the Track Record Period and up to the Latest Practicable Date, none of our customers had requested to cancel orders, suspended delivery, or re-negotiated price, order quantity, payment or other material terms of the transactions as a result of the additional U.S. tariffs.

Having considered the Directors’ view that the tariffs have not had any material adverse impact on the Group’s business, results of operations or financial condition above and based on the due diligence work performed by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors that would reasonably cause it to cast doubt on the Directors’ view regarding the impact of tariffs in any material respect.

We believe we are well poised to tackle global trade tensions and tariff challenges leveraging our interconnected and geographically diversified production sites. As of December 31, 2025, we had 105 production bases around the globe, primarily including China, Vietnam, Philippines, Thailand, Indonesia, Malaysia, India and Singapore in Asia, Germany, Poland, Czechia, Romania, Portugal, Serbia, Slovakia, Türkiye and Hungary in Europe, Mexico and Paraguay in Americas and Egypt and Tunisia in Africa. This expansive global production network enables us to flexibly allocate production capacity, significantly reduces risks associated with current international geopolitical uncertainties and minimizes the potential impact from tariffs and trade restrictions imposed on any particular country. In particular, we have established and expanded our presence and production capacity in Vietnam over the past decade, a country which has negotiated terms of trade with the U.S. involving much lower tariffs. Our production in Vietnam consists of substantial manufacturing which meets the definition of a “substantial transformation” under applicable U.S. regulations. During the Track Record Period, 78.3% of our sales to the U.S. were from products manufactured in Vietnam.

Aside from the U.S., there are no other international markets to which our products are sold that are subject to tariffs of a similar magnitude.

### **No Material Adverse Change**

Our Directors have confirmed that (i) up to the date of this prospectus there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the end of the period reported on the Accountants’ Report in Appendix I to this prospectus), (ii) there has been

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## SUMMARY

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no acceleration of indebtedness or material expenses incurred since December 31, 2025, and (iii) there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

### LISTING EXPENSES

Our listing expenses mainly include underwriting commissions, professional fees paid to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the Listing and the Global Offering.

Based on the Offer Price of HK\$63.28 per Share (being the maximum Offer Price stated in this prospectus), the total estimated listing expenses in relation to the Global Offering are RMB197.4 million (HK\$227.1 million), assuming the Over-allotment Option is not exercised, which constitute approximately 0.9% of the gross proceeds. Our total listing expenses consist of (i) underwriting-related expenses and fees of RMB116.3 million (HK\$133.9 million); and (ii) non-underwriting-related expenses of RMB81.1 million (HK\$93.2 million), including (a) fees related to the legal advisors and Reporting Accountants of RMB44.7 million (HK\$51.4 million) and (b) other fees and expenses including Sponsors' fees of RMB36.4 million (HK\$41.8 million). During the Track Record Period, we incurred listing expenses of RMB13.2 million (HK\$15.2 million), of which RMB2.1 million (HK\$2.4 million) was recognized in our consolidated statements of profit or loss and RMB11.1 million (HK\$12.8 million) was recognized as prepayments and other receivables, which is expected to be accounted for as a deduction from equity upon the Listing. We estimate that we will further incur listing expenses of RMB184.2 million (HK\$211.9 million), RMB16.0 million (HK\$18.4 million) of which is expected to be charged to our consolidated statements of profit or loss, and RMB168.2 million (HK\$193.5 million) is directly attributable to the issue of H Shares and expected to be deducted from equity upon the completion of the Global Offering.

Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2026.

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$24.0 billion, assuming an Offer Price of HK\$63.28 per Offer Share (being the maximum Offer Price stated in this prospectus) after deducting the underwriting commissions and estimated expenses paid or payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised.

In line with our strategies, we intend to apply (i) approximately 35%, or HK\$8,413.7 million, to expand our production capacity and upgrade our existing production bases; (ii) approximately 30%, or HK\$7,211.7 million, to invest in technology R&D, refine our manufacturing processes and enhance our intelligent manufacturing capabilities; (iii) approximately 15%, or HK\$3,605.9 million, to invest in high-quality targets in upstream and downstream sectors or related industries; (iv) approximately 10%, or HK\$2,403.9 million, to repay certain existing interest-bearing bank borrowings; and (v) approximately 10%, or HK\$2,403.9 million, for working capital and other general corporate purposes. For details, see "Future Plans and Use of Proceeds."

### OFFERING STATISTICS

|                                                                                                                                                            | Based on the Offer Price of<br>HK\$63.28 per H Share |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| Market capitalization of our Shares immediately after completion of the<br>Global Offering assuming the Over-allotment Option not exercised <sup>(1)</sup> | HK\$590,584 million                                  |
| Market capitalization of our H Shares immediately after completion of<br>the Global Offering <sup>(2)</sup>                                                | HK\$24,266 million                                   |
| Unaudited pro forma adjusted net tangible assets per Share <sup>(3)</sup>                                                                                  | HK\$15.40                                            |

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## SUMMARY

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*Notes:*

- (1) The calculation of market capitalization of our Shares immediately after completion of the Global Offering is based on the assumption that 7,318,257,824 A Shares as of the Latest Practicable Date are in issue with an average closing price for the five trading days immediately prior to the Latest Practicable Date of RMB67.28 (equivalent to approximately HK\$77.38) per A Share and that 383,472,800 H Shares are expected to be in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised), representing in aggregate 7,701,730,624 Shares expected to be in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). For details, see “Share Capital—Upon Completion of the Global Offering” in this prospectus.
- (2) The calculation of market capitalization is based on the assumption that 383,472,800 H Shares are expected to be in issue immediately after completion of the Global Offering (assuming that the Over-allotment Option is not exercised).
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share is calculated on the total of 7,667,915,334 shares (representing 7,284,442,534 shares in issue as of December 31, 2025, adding 383,472,800 offer shares under the Global Offering), assuming that the Global Offering had been completed on December 31, 2025 taking into no account of shares which may be issued upon the exercise of the convertible bonds, the over-allotment option and upon the vesting of share options that have been or may be granted from time to time under the share option plans. The difference between 7,284,442,534 Shares in issue as of December 31, 2025 and 7,318,257,824 A Shares in issue as of the Latest Practicable Date referred to in note (1) is attributable to the exercise of employee share options and/or the conversion of convertible bonds during the period from January 1, 2026 up to the Latest Practicable Date.
- (4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of December 31, 2025 to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company has not taken into account the dividend declared by the directors in April 2026 of RMB1,018,652,000. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share would have been HK\$15.25 per Share based on the offer price of HK\$63.28, assuming the dividend distribution were completed on 31 December 2025.

### RISK FACTORS

Our operations involve certain risks and uncertainties, some of which are beyond our control. Some of the major risks we face include: (i) changes in political and economic policies in the markets where we operate, particularly Europe, North and Central America, and Asia, could have an adverse effect on our business, financial condition and results of operations; (ii) we had customer concentration during the Track Record Period and the loss of Customer A/Supplier A could have a material adverse effect on our business, financial condition, and results of operations; (iii) our success depends to a great extent on our R&D capabilities. Results of our technology and R&D efforts may affect our competitiveness and profitability; (iv) if we are unable to effectively manage our growth or execute our strategies, our business and prospects may be adversely affected; and (v) our acquisitions may not be successful and we may face difficulties in integrating acquired businesses with our existing operations.

For details, see “Risk Factors.”

### IMPACT OF COVID-19 PANDEMIC

Our business operations and financial condition were not materially and adversely impacted by the COVID-19 pandemic. We observed a healthy supply and demand chain with no material shift in the industries we operate in that can be directly attributed to the COVID-19 pandemic. Our workforce remained free of COVID-19 clusters, and we did not experience suspension of production during the COVID-19 pandemic. There were random shipment and customer clearance delays, which resulted in longer lead time and slower logistics. This, however, did not have any material negative impact on our supply chain as we took effective countermeasures, such as maintaining sufficient safety stock, initiating shipment earlier, and using diversified shipment channels. During the Track Record Period, we did not encounter material product recalls. During the same years, our inventory levels remained stable and have fluctuated only in the ordinary course of business. As a result, our revenue and net profit increased continuously during the Track Record Period.

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*In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain technical terms are explained in “Glossary.”*

|                                                                 |                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “A Share(s)”                                                    | ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi                                                                                                                      |
| “Accountants’ Report”                                           | the accountants’ report for the years ended December 31, 2023, 2024 and 2025 prepared by BDO Limited, the text of which is set out in Appendix I to this prospectus                                                                                                        |
| “affiliate”                                                     | 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 adopted on August 8, 2025, which will become effective on the Listing Date and as amended from time to time, a summary of which is set out in “Appendix III—Summary of the Articles of Association” to this prospectus          |
| “Audit Committee”                                               | the audit committee of the Board                                                                                                                                                                                                                                           |
| “Board” or “Board of Directors”                                 | the board of Directors of our Company                                                                                                                                                                                                                                      |
| “Business Day” or “business day”                                | any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong) on which banks in Hong Kong are generally open for normal banking business |
| “CAGR”                                                          | compound annual growth rate                                                                                                                                                                                                                                                |
| “Capital Market Intermediaries”                                 | has the meaning ascribed thereto under the Listing Rules, and unless the context requires otherwise, refers to the capital market intermediaries named in the section headed “Directors and Parties Involved in the Global Offering”                                       |
| “Casetek Singapore”                                             | Casetek Singapore PTE. LTD., a company incorporated on September 12, 2019 in Singapore, and one of our Major Subsidiaries                                                                                                                                                  |
| “CCASS”                                                         | the Central Clearing and Settlement System established and operated by HKSCC                                                                                                                                                                                               |
| “China” or “PRC”                                                | the People’s Republic of China                                                                                                                                                                                                                                             |
| “CNAS”                                                          | China National Accreditation Service for Conformity Assessment                                                                                                                                                                                                             |
| “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” or “our Company”                                      | Luxshare Precision Industry Co., Ltd. (立訊精密工業股份有限公司), a company established in the PRC on May 24, 2004, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002475)                                                                         |



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| “Company Law” or<br>“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                                                                                                                                           |
| “connected person(s)”                 | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                |
| “connected transaction(s)”            | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                |
| “Controlling Shareholder(s)”          | has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Ms. Wang, Mr. Wang and Luxshare Limited, and a Controlling Shareholder shall mean each or any of them                                     |
| “Convertible Bonds”                   | the convertible bonds of face value of RMB100 each in an aggregate principal amount of RMB3.0 billion convertible into our fully paid A Shares, a summary of which is set out in “History and Corporate Structure” in this prospectus                 |
| “Cowell”                              | Cowell e Holdings Inc. (高偉電子控股有限公司), a company incorporated in the Cayman Islands with limited liability on November 28, 2006, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1415)                              |
| “Cowell Group”                        | Cowell and its subsidiaries                                                                                                                                                                                                                           |
| “CSDC”                                | China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)                                                                                                                                                                                   |
| “CSRC”                                | 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                                                                                                                                                                                                                        |
| “EAR”                                 | the U.S. Export Administration Regulations                                                                                                                                                                                                            |
| “EIT”                                 | enterprise income tax                                                                                                                                                                                                                                 |
| “EIT Law”                             | the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time                                                                                                                          |
| “EU”                                  | European Union                                                                                                                                                                                                                                        |
| “Extreme Conditions”                  | extreme conditions caused by a super typhoon as announced by the government of Hong Kong                                                                                                                                                              |
| “FINI”                                | Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings |
| “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                                                                                                                                                                                          |



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| “Group,” “our Group,” “our,”<br>“we” or “us”   | our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)                                                                                                                                                                                                               |
| “H Share(s)”                                   | ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be listed and traded on the Stock Exchange                                                                                                                                                                                                                                                                                                                                  |
| “H Share Registrar”                            | Tricor Investor Services Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “ <b>HK eIPO White Form</b> ”                  | the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>                                                                                                                                                                                                                                                                             |
| “ <b>HK eIPO White Form</b> Service Provider”  | the <b>HK eIPO White Form</b> service provider designated by our Company, as specified on the designated website at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>                                                                                                                                                                                                                                                                                                                 |
| “HKSCC”                                        | Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited                                                                                                                                                                                                                                                                                                                                                                 |
| “HKSCC EIPO”                                   | the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your <b>broker</b> or <b>custodian</b> who is a HKSCC Participant to give <b>electronic application instructions</b> via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf |
| “HKSCC Nominees”                               | HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “HKSCC Operational Procedures”                 | the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force                                                                                                                                         |
| “HKSCC Participant”                            | a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant                                                                                                                                                                                                                                                                                                                                           |
| “Hong Kong” or “HK”                            | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Hong Kong dollars,”<br>“HK dollars” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “Hong Kong Offer Shares”                       | the 38,347,300 H Shares initially being offered by our Company for subscription pursuant to the Hong Kong Public Offering, subject to reallocation as described in “Structure of the Global Offering” in this prospectus                                                                                                                                                                                                                                                             |
| “Hong Kong Public Offering”                    | the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the terms and conditions as described in this prospectus as further described in “Structure of the Global Offering—The Hong Kong Public Offering” in this prospectus                                                               |
| “Hong Kong Underwriters”                       | the underwriters of the Hong Kong Public Offering listed in “Underwriting—Hong Kong Underwriters” in this prospectus                                                                                                                                                                                                                                                                                                                                                                 |

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|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong Underwriting Agreement”                                          | the underwriting agreement dated on or about June 29, 2026 relating to the Hong Kong Public Offering entered into by, among other parties, our Company, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters, as further described in “Underwriting—Underwriting Agreements—Hong Kong Underwriting Agreement” in this prospectus                                   |
| “Hsin Hong”                                                                 | Hsin Hong (Hong Kong) International Company Limited (鑫弘香港國際股份有限公司), a company incorporated in Hong Kong with limited liability on February 5, 2007, which is wholly owned by Ms. Wang Laijiao (王來嬌), a sister of Ms. Wang and Mr. Wang                                                                                                                                                    |
| “Hsin Hong Group”                                                           | Hsin Hong and its subsidiaries                                                                                                                                                                                                                                                                                                                                                            |
| “IATF”                                                                      | International Automotive Task Force                                                                                                                                                                                                                                                                                                                                                       |
| “IEC”                                                                       | International Electrotechnical Commission                                                                                                                                                                                                                                                                                                                                                 |
| “IFRS”                                                                      | the International Financial Reporting Standards as issued by the International Accounting Standards Board                                                                                                                                                                                                                                                                                 |
| “Independent Third Party(ies)”                                              | person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, are not our connected persons                                                                                                                                                                                                                 |
| “International Offer Shares”                                                | the 345,125,500 H Shares initially being offered by our Company for subscription at the Offer Price pursuant to the International Offering together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option, subject to reallocation as described in “Structure of the Global Offering” in this prospectus |
| “International Offering”                                                    | the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and subject to the terms and conditions as described in “Structure of the Global Offering” in this prospectus                                                                                         |
| “International Underwriters”                                                | the underwriters expected to enter into the International Underwriting Agreement relating to the International Offering                                                                                                                                                                                                                                                                   |
| “International Underwriting Agreement”                                      | the underwriting agreement expected to be entered into on or about the Price Determination Date by, among other parties, our Company, the Joint Sponsors, the Overall Coordinators, and the International Underwriters, as further described in “Underwriting—Underwriting Agreements—International Underwriting Agreement” in this prospectus                                            |
| “ISO”                                                                       | International Organization for Standardization                                                                                                                                                                                                                                                                                                                                            |
| “Jiashan Rishan”                                                            | Ri Shan Computer Accessories (Jia Shan) Co., Ltd. (日善電腦配件(嘉善)有限公司), a company established on June 15, 2015 in the PRC, and one of our Major Subsidiaries                                                                                                                                                                                                                                  |
| “Joint Bookrunners,” “Joint Global Coordinators,” and “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” in this prospectus                                                                                                                                                                                                                  |
| “Joint Sponsors”                                                            | the joint sponsors as named in “Directors and Parties Involved in the Global Offering” in this prospectus                                                                                                                                                                                                                                                                                 |

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|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Lanto Kunshan”                                       | Lanto Electronic Limited (昆山聯滔電子有限公司), a company established on April 23, 2004 in the PRC, and one of our Major Subsidiaries                                                                                     |
| “Latest Practicable Date”                             | June 20, 2026, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication                                                                 |
| “Leoni Business”                                      | collectively includes Leoni AG and Leoni Kabel GmbH                                                                                                                                                              |
| “Listing”                                             | the listing of our H Shares on the Stock Exchange                                                                                                                                                                |
| “Listing Committee”                                   | the Listing Committee of the Stock Exchange                                                                                                                                                                      |
| “Listing Date”                                        | the date expected to be on or about Thursday, July 9, 2026, on which dealings in our H Shares first commence on the Stock Exchange                                                                               |
| “Listing Guide” or “Guide for New Listing Applicants” | the Guide for New Listing Applicants as published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time                                                                        |
| “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                                                       |
| “Luxcase ICT Yancheng”                                | Luxcase Precision Technology (Yancheng) Co., Ltd. (立鎧精密科技(鹽城)有限公司), a company established on September 27, 2017 in the PRC, and one of our Major Subsidiaries                                                    |
| “Luxis Hong Kong”                                     | Luxis Technology Limited (香港立芯科技有限公司), a company incorporated on April 23, 2021 in Hong Kong, and one of our Major Subsidiaries                                                                                  |
| “Luxshare Changshu”                                   | Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd. (立訊智造科技(常熟)有限公司), a company established on October 24, 2019 in the PRC, and one of our Major Subsidiaries                                       |
| “Luxshare Chuzhou”                                    | Luxshare Precision Industry (Chuzhou) Co., Ltd. (立訊精密工業(滁州)有限公司), a company established on March 24, 2014 in the PRC, and one of our Major Subsidiaries                                                          |
| “Luxshare Hong Kong”                                  | Luxshare Precision Limited (立訊精密有限公司), a company incorporated on May 5, 2011 in Hong Kong, and one of our Major Subsidiaries                                                                                     |
| “Luxshare Kunming”                                    | Kunming Luxshare Technology Co., Ltd. (昆明立訊科技有限公司) (formerly known as Kunming Wenxun Industrial Co., Ltd. (昆明聞訊實業有限公司)), a company established in the PRC on January 14, 2020, and one of our Major Subsidiaries |
| “Luxshare Limited”                                    | Luxshare Limited (立訊有限公司), a company incorporated on August 27, 1999 and in Hong Kong one of our Controlling Shareholders, which is owned as to 50% by Ms. Wang and 50% by Mr. Wang                              |
| “Luxshare Limited Associates”                         | Luxshare Limited and its associates which, for the purpose of this prospectus and unless the context otherwise requires, excludes our Group                                                                      |
| “Luxshare Limited Group”                              | Luxshare Limited and its subsidiaries which, for the purpose of this prospectus and unless the context otherwise requires, excludes our Group                                                                    |

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## DEFINITIONS

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| “Luxshare Precision Group”     | our Company and its subsidiaries which, for the purpose of this prospectus and unless the context otherwise requires, excludes the Time Interconnect Group                                                                                                                                                                                                                                                                                                                               |
| “Luxshare Smart Manufacturing” | Luxshare iTech (Zhejiang) Co., Ltd. (立訊智造(浙江)有限公司), a company established on April 8, 2019 in the PRC, and one of our Major Subsidiaries                                                                                                                                                                                                                                                                                                                                                 |
| “Luxshare Van Trung”           | Luxshare-ICT (Van Trung) Company Limited (立訊精密(雲中)有限公司), a company incorporated on September 5, 2019 in Vietnam, and one of our Major Subsidiaries                                                                                                                                                                                                                                                                                                                                       |
| “Luxshare Vietnam”             | Luxshare-ICT (Vietnam) Company Limited (立訊精密(越南)有限公司), a company incorporated on October 5, 2016 in Vietnam, and one of our Major Subsidiaries                                                                                                                                                                                                                                                                                                                                           |
| “Luxvisions Innovation”        | Luxvisions Innovation Technology Corp. Limited (立景創新科技股份有限公司), a company established on March 16, 2018 in the PRC, which is a non-wholly owned subsidiary of Luxvisions Innovation Limited (立景創新有限公司), a company owned as to approximately 56.34% by Mr. Wang Laixi, a brother of Ms. Wang and Mr. Wang, and approximately 43.66% by Luxsan Limited (景汕有限公司), which is owned as to 34% by Ms. Wang, 33% by Mr. Wang and 33% by Ms. Wang Laijiao (王來嬌), a sister of Ms. Wang and Mr. Wang |
| “Luxvisions Innovation Group”  | Luxvisions Innovation and its subsidiaries which, for the purpose of this prospectus and unless the context otherwise requires, excludes Cowell Group                                                                                                                                                                                                                                                                                                                                    |
| “Main Board”                   | the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange                                                                                                                                                                                                                                                                                                                   |
| “Major Subsidiaries”           | the major subsidiaries of our Company listed in “History and Corporate Structure—Our Major Subsidiaries” in this prospectus                                                                                                                                                                                                                                                                                                                                                              |
| “MIIT”                         | Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)                                                                                                                                                                                                                                                                                                                                                                                                              |
| “MOF” or “Ministry of Finance” | Ministry of Finance of the PRC (中華人民共和國財政部)                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “MOFCOM”                       | Ministry of Commerce of the PRC (中華人民共和國商務部)                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Mr. Wang”                     | Mr. Wang Laisheng (王來勝), our founder, vice chairman of the Board, executive Director and one of our Controlling Shareholders                                                                                                                                                                                                                                                                                                                                                             |
| “Ms. Wang”                     | Ms. Wang Laichun (王來春), our founder, chairlady of the Board, executive Director, general manager and one 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)                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Nomination Committee”         | the nomination committee of the Board                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “NPC”                          | National People’s Congress of the PRC (中華人民共和國全國人民代表大會)                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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## DEFINITIONS

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| “Offer Price”                          | the final price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) at which Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in “Structure of the Global Offering—Pricing of the Global Offering” in this prospectus                                                                                                                                                                                                                                                                                                              |
| “Offer Share(s)”                       | the Hong Kong Offer Share(s) and the International Offer Share(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Overall Coordinators”                 | the overall coordinators as named in “Directors and Parties Involved in the Global Offering”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “Over-allotment Option”                | the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 57,520,900 additional H Shares, representing approximately 15% of the Offer Shares initially being offered under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any. For details, see “Structure of the Global Offering—The International Offering—Over-allotment Option” in this prospectus |
| “Overseas Listing Trial Measures”      | the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and taking effect on March 31, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “PBOC”                                 | People’s Bank of China (中國人民銀行), the central bank of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “PRC Legal Advisors”                   | Han Kun Law Offices, the legal advisors to our Company as to the laws of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Price Determination Date”             | the date, expected to be on or about Tuesday, July 7, 2026, on which the Offer Price is determined, or such later time as the Overall Coordinators (on behalf of the Underwriters) and our Company may agree, but in any event no later than 12:00 noon on Tuesday, July 7, 2026 (Hong Kong time)                                                                                                                                                                                                                                                                                                                                                                                                                |
| “prospectus”                           | this prospectus being issued in connection with the Hong Kong Public Offering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “Qorvo Business”                       | collectively includes Qorvo Hong Kong Limited (威訊聯合半導體(香港)有限公司) and Qorvo Singapore Holding Pte. Limited (威訊聯合半導體(新加坡)有限公司)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “R&D”                                  | research and development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Regulation S”                         | Regulation S under the U.S. Securities Act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| “Remuneration and Appraisal Committee” | the remuneration and appraisal committee of the Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| “Reporting Accountants”                | BDO Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “RMB” or “Renminbi”                    | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “SAFE”                                 | State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## DEFINITIONS

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| “SAMR”                                         | 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”                                          | State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)                                                                                                                                                                                                                        |
| “Securities and Futures Ordinance” or “SFO”    | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time                                                                                                                                          |
| “Securities Law” or “PRC Securities Law”       | the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time                                                                                                                                                                     |
| “SFC”                                          | the Securities and Futures Commission of Hong Kong                                                                                                                                                                                                                                 |
| “Share(s)”                                     | ordinary share(s) of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares                                                                                                                                                                            |
| “Share Option Incentive Plans”                 | the 2021 Share Option Incentive Plan, the 2022 Share Option Incentive Plan and the 2025 Share Option Incentive Plan                                                                                                                                                                |
| “Shareholder(s)”                               | holder(s) of our Share(s)                                                                                                                                                                                                                                                          |
| “Shenzhen-Hong Kong Stock Connect”             | a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shenzhen                                 |
| “Smart Manufacturing Jiangxi”                  | Jiangxi Luxshare Intelligent Manufacture Co., Ltd. (江西立訊智造有限公司), a company established on December 25, 2015 in the PRC, and one of our Major Subsidiaries                                                                                                                          |
| “Stabilizing Manager”                          | Goldman Sachs (Asia) L.L.C.                                                                                                                                                                                                                                                        |
| “State Council”                                | State Council of the PRC (中華人民共和國國務院)                                                                                                                                                                                                                                              |
| “Stock Exchange” or “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited                                                                                                                                                                     |
| “Strategy Committee”                           | the strategy committee of the Board                                                                                                                                                                                                                                                |
| “subsidiary(ies)”                              | has the meaning ascribed to it in section 15 of the Companies Ordinance                                                                                                                                                                                                            |
| “Takeovers Code”                               | the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time                                                                                                                                         |
| “Time Interconnect”                            | Time Interconnect Technology Limited (匯聚科技有限公司), a company incorporated in the Cayman Islands with limited liability on June 15, 2017, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1729), and a non-wholly owned subsidiary of our Company |
| “Time Interconnect Group”                      | Time Interconnect and its subsidiaries                                                                                                                                                                                                                                             |
| “Track Record Period”                          | the years ended December 31, 2023, 2024 and 2025                                                                                                                                                                                                                                   |
| “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 and possessions, any State of the United States, and the District of Columbia                                                                                                                                                        |



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## DEFINITIONS

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|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “U.S. dollars,” “US\$” or “USD” | United States dollars, the lawful currency of the United States                                                                                                                                                                                                                          |
| “U.S. Securities Act”           | the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder                                                                                                                         |
| “VAT”                           | value added tax                                                                                                                                                                                                                                                                          |
| “Wingtech Businesses”           | collectively, the Wingtech ODM Business and the Wingtech Other Consumer Electronics Businesses, being the subsidiaries of Wingtech Technology which our Company acquired, the details of which are set out in “History and Corporate Structure—Acquisition of the Wingtech Subsidiaries” |
| “Wingtech Technology”           | Wingtech Technology Co., Ltd. (聞泰科技股份有限公司), a company established in the PRC on January 11, 1993, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600745)                                                                                                     |
| “Zixin Investment”              | Xinjiang Zixin Investment Limited Partnership (新疆資信投資有限合夥企業) (formerly known as Shenzhen Zixin Investment Co., Ltd. (深圳市資信投資有限公司) and Ji’an Zixin Investment Co., Ltd. (吉安縣資信投資有限公司)), a limited partnership established on October 27, 2008 in the PRC                                  |
| “%”                             | per cent                                                                                                                                                                                                                                                                                 |

For the purpose of this prospectus, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

In this prospectus, the terms “associate(s),” “close associate(s),” “connected person(s),” “core connected person(s),” “connected transaction(s),” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this prospectus were subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures preceding them.

Unless the context otherwise requires, references to “2023”, “2024” and “2025” in this prospectus refer to our financial year ended December 31 of such year.

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## GLOSSARY

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

|                           |                                                                                                                                                                                                                                      |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “AC”                      | alternating current, an electric current that reverses its direction many times a second at regular intervals                                                                                                                        |
| “ACC”                     | active copper cable, a type of high-speed copper cable used for data transmission                                                                                                                                                    |
| “ADAS”                    | advanced driver-assistance system, a built-in suite of coordinated technologies that help drivers operate their vehicles more safely                                                                                                 |
| “AEC”                     | active electrical cable, an active cable technology used in data centers and high-speed network applications                                                                                                                         |
| “AF”                      | anti-fingerprint                                                                                                                                                                                                                     |
| “AI”                      | artificial intelligence                                                                                                                                                                                                              |
| “AOC”                     | active optical cable, a cabling technology that uses electrical-to-optical conversion on the cable ends to improve speed and distance performance of the cable without sacrificing compatibility with standard electrical interfaces |
| “AOI”                     | automated optical inspection, a camera-based imaging and inspection technology used to detect defects and quality issues in electronics assemblies during the production process                                                     |
| “APS”                     | advanced planning and scheduling system                                                                                                                                                                                              |
| “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                                                             |
| “CCD”                     | charge-coupled device, a light-sensitive integrated circuit that captures images by converting photons to electrons                                                                                                                  |
| “co-packing copper”       | connects high-speed electrical signal channels to the chip through a common package connector                                                                                                                                        |
| “CPE”                     | customer premise equipment, a telecommunications equipment that is installed at a customer’s location                                                                                                                                |
| “DAC”                     | direct attach cable, a type of passive high-speed copper cable that does not require external power or signal conditioning chips                                                                                                     |
| “DC”                      | direct current, an electric current flowing in one direction only                                                                                                                                                                    |
| “digital twin”            | a virtual representation of an object or system designed to reflect a physical object accurately                                                                                                                                     |
| “Dk”                      | dielectric constant, a quantity measuring the ability of a substance to store electrical energy in an electric field                                                                                                                 |
| “ESD”                     | electrostatic discharge, the transfer of static electricity between objects which can damage or degrade electronic components                                                                                                        |
| “first-pass yield”        | the percentage of products that meet quality standards the first time through a manufacturing process, without needing rework or repairs                                                                                             |
| “Gbps”                    | gigabits per second, a unit of data transfer rate                                                                                                                                                                                    |
| “Harmonized System Codes” | internationally recognized product codes used to classify goods in import and export shipments                                                                                                                                       |

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## GLOSSARY

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|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “HASS”                | Highly Accelerated Stress Screening, an industry gold standard for reliability assessment in the communication industry                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “HDMI”                | High-Definition Multimedia Interface, an interface standard for transmitting high-quality audio and video signals between devices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “HSIO”                | high-speed input/output, a connector installed on the panel of high-speed devices such as switches and servers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “HUD”                 | head-up display, a system that projects information onto a usually transparent surface that sits directly in a user’s line of vision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “IoT”                 | Internet of Things, a network of physical entities embedded with technologies for the purpose of interconnecting and exchanging data with other devices and systems over the internet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “MES”                 | manufacturing execution system, a system which monitors and controls complex manufacturing systems and data across multiple function areas in a manufacturing process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “mixed reality”       | a combination of AR or VR elements with the physical world to create an immersive experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| “MPa”                 | one million pascals, a unit of pressure or stress in the international system of units                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “near-packing copper” | connects high-speed electrical signal channels to the chip through a high-speed connector located near the chip                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “NEV”                 | new energy vehicle                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “NPI”                 | new product introduction, a process which includes all activities undertaken within an organization to define, develop and market a new or improved product or solution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “PCB”                 | printed circuit board, a mechanical base used to hold and connect the components of an electric circuit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “PCBA”                | PCB assembly, the process of soldering or integrating electronic components to a PCB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “PIMS”                | precision intelligent manufacturing solutions, a term commonly used in the industry to refer to client-centric, technology-driven manufacturing services that integrate advanced processing technologies, rapid prototyping, automation control, and intelligent systems to deliver high-precision components, functional modules and system integration. “Intelligent” manufacturing refers to the application of digitalization, automation, and data connectivity across design, production, management, and services, typically through digital workshops and smart factories. A digital workshop is a production unit that uses IT, automation, and measurement technologies to connect equipment and processes via data, enabling planning, monitoring, and optimization of production operations. A smart factory is an advanced form of digital workshop that leverages IoT and intelligent systems to enhance process control, reduce manual intervention, and improve production efficiency, scheduling, and sustainability. “Precision” is reflected in high-accuracy processing, assembly, and inspection characterized by micron/sub-micron tolerances, high consistency, reliability, and strict process control |
| “PLM”                 | product lifecycle management system, a system which provides a comprehensive approach to managing information across a product’s entire journey                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “PPE”                 | property, plant and equipment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “RF”                  | radio frequency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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## GLOSSARY

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|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “riser cable” | a cable used inside a server to convert vertically inserted boards into parallel ones to ensure sufficient space and heat dissipation inside the server                                        |
| “SiP”         | System-in-Package                                                                                                                                                                              |
| “SSIO”        | server storage input/output, a high-speed electrical signal input/output connector inside a high-speed device, such as a switch or server panel                                                |
| “UV”          | ultraviolet                                                                                                                                                                                    |
| “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                                                                               |
| “W/mK”        | watts per meter-kelvin                                                                                                                                                                         |
| “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                                                                                  |
| “μm”          | micrometer, a metric unit of linear measure that equals one-millionth of a meter                                                                                                               |

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## FORWARD-LOOKING STATEMENTS

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

This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “might,” “ought to,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” 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 other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our mission, goals and strategies;
- our future business development, financial condition and results of operations;
- future developments, trends and conditions in the industries and markets in which we operate or into which we intend to expand;
- our expectations regarding demand for and market acceptance of our products and solutions;
- our expectations regarding our relationships with customers, business partners, suppliers and other partners;
- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to adequately protect our reputation and brand image, as well as our intellectual property rights;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- our ability to attract and retain qualified personnel;
- competitive position in the industries and markets in which we operate or into which we intend to expand;
- our proposed use of proceeds;
- rapid developments in technology and our ability to successfully keep up with technological advancement;
- changes in currency exchange rates;
- relevant government policies and regulations relating to industries which we operate in;
- certain statements in this prospectus with respect to trends in prices, operations, margins, overall market trends, and risk management;

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## FORWARD-LOOKING STATEMENTS

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- volatilities in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- various uncertainties described in the “Risk Factors;” and
- other statements in this prospectus that are not historical facts.

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. In light of the aforementioned 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, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section.

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



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## RISK FACTORS

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*You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below and in the Financial Information section, among others, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.*

*These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this prospectus.*

### RISKS RELATING TO OUR BUSINESS AND INDUSTRY

**Changes in political and economic policies in the markets where we operate, particularly Europe, North and Central America, and Asia, could have an adverse effect on our business, financial condition and results of operations.**

Our business, financial condition, results of operations and prospects could be affected by economic, political and legal developments in the markets where we operate. During the Track Record Period, we primarily generated revenue from sales to customers incorporated in (i) Europe, such as Ireland and England, (ii) North and Central America, such as the U.S., (iii) Asia, such as Singapore, and (iv) Chinese Mainland. The total revenue from sales to customers outside of Chinese Mainland in 2023, 2024 and 2025 was RMB196.0 billion, RMB225.8 billion and RMB273.8 billion, respectively, representing 84.5%, 84.0%, and 82.4% of our total revenue during the same years, respectively. For details, see “Financial Information—Consolidated Statements of Profit or Loss and Other Comprehensive Income—Revenue—Revenue by Geographic Region.” Economic growth in the markets where we operate, particularly Europe, North and Central America, and Asia where we have significant operations, has slowed in recent years, and it remains uncertain whether such conditions will persist. Uncertainties relating to monetary and fiscal policies, inflation, interest rates, capital market volatility and government regulation in these regions could adversely affect the operating environment of the PIMS industry and our business, financial condition and results of operations. Economic growth may also be uneven across regions and industry sectors, and any deterioration in economic conditions in the markets where we operate could materially and adversely affect our business environment. If the business environment in the markets where we operate changes, our business may be materially and adversely affected.

**We had customer concentration during the Track Record Period and the loss of Customer A / Supplier A could have a material adverse effect on our business, financial condition, and results of operations.**

During the Track Record Period, a few of our major customers, particularly Customer A / Supplier A, contributed a significant portion of our revenue. Our ability to maintain our current level of profitability depends on our continued success in retaining existing customers, particularly Customer A / Supplier A, and attracting new customers. Our revenue from the five largest customers in each year during the Track Record Period was approximately RMB191.2 billion, RMB211.0 billion and RMB216.2 billion in 2023, 2024 and 2025, respectively, accounting for 82.4%, 78.5% and 65.0% of our total revenue during the respective years. Our revenue from the largest customer, Customer A/Supplier A, was RMB174.5 billion, RMB190.1 billion and RMB188.4 billion in 2023, 2024 and 2025, respectively, accounting for 75.2%, 70.7% and 56.7% of our total revenue during the respective years, which was significantly higher than our revenue from other customers during the Track Record Period. For details, see “Business—Our Customers.” We cannot assure you that our major customers, particularly Customer A / Supplier A, will not diversify their suppliers, change their business scope or business model nor suspend their operation, or they will not encounter any operating or financial difficulties. In addition, the end markets where our customers operate are evolving. Their ability to

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sustain success in these dynamic environments will influence their demand for our offerings. Any material adverse changes in the business, operation and financial condition of our major customers may in turn have a material adverse effect on us.

In addition, there is no assurance that we could retain our existing customers, particularly Customer A/Supplier A, or attract new customers as we did during the Track Record Period. If we fail to retain existing customers or attract new customers due to product, pricing or other competitive factors, our business, financial condition and results of operations may be adversely affected. There is no assurance that we are able to maintain good relationship with our major customers, or our major customers will continue to have high demands for our products in the future. Under the aforementioned circumstances, if we are unable to identify and acquire suitable new customers within a reasonable period of time, our business, financial condition and results of operation may be materially and adversely affected.

Further, some of our five largest customers were also our suppliers during the Track Record Period. We had supplier concentration primarily due to the buy-and-sell procurement method, where certain of our major customers require their suppliers, including us, to purchase raw materials and components manufactured or procured from themselves to exert overall control over the procurement process. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB115.3 billion, RMB131.2 billion and RMB132.0 billion in 2023, 2024 and 2025, respectively, representing 65.2%, 62.3% and 53.0% of our total purchases during the same years, respectively. In addition, the purchases from our largest supplier, Customer A/Supplier A, amounted to RMB109.5 billion, RMB117.9 billion and RMB113.9 billion in 2023, 2024 and 2025, respectively, representing 61.9%, 56.0% and 45.7% of our total purchases for the corresponding years, respectively. For details, see “Business—Our Suppliers.”

**Our success depends to a great extent on our R&D capabilities. Results of our technology and R&D efforts may affect our competitiveness and profitability.**

Our R&D capabilities are critical to our success. The industry in which we operate is subject to rapid technological changes and is evolving quickly in terms of technological innovation. Our R&D expenses amounted to RMB8,188.8 million, RMB8,556.0 million and RMB11,428.0 million in 2023, 2024 and 2025, respectively, representing 3.5%, 3.2% and 3.4% of our total revenue for the same years, respectively. We may continue investing significant resources in R&D in order to offer products desirable to our customers at competitive pricing in the rapidly evolving industry. However, R&D activities are inherently uncertain, generally lasting for a long time and requiring substantial R&D expenses. Our R&D activities and investments cannot guarantee revenue generation, and we may not be able to recover costs incurred. We cannot assure you that our R&D projects will be successful or completed within the anticipated time frame and budget, or that our newly-developed products will have commercial success, or that we will achieve anticipated sales target or profit.

In addition, our existing or potential competitors may develop products which are similar or superior to our products with more competitive price. Due to uncertainties in the time frame for developing new products and the duration of the market window for these products, we may have to abandon ongoing developments that are no longer commercially viable, even after having invested significant resources in their R&D. If we fail to launch our products in a timely manner and with competitive edge in the industry, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**If we are unable to effectively manage our growth or execute our strategies, our business and prospects may be adversely affected.**

Our business has continued to grow in recent years, so has our business network. In addition, as we expand our product portfolio, customer base and geographical markets, we will need to work with a larger number of suppliers and customers efficiently and maintain and expand mutually beneficial relationships with our existing and new suppliers and customers. We also need to continuously enhance and upgrade our infrastructure and technology, improve control over our operational, financial and

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management aspects, strengthen our supplier and sales network management, refine our reporting systems and procedures, and expand, train and manage our growing employee base. All these efforts will require significant managerial, financial and human resources. We cannot assure you that such efforts will result in our expected success.

In addition, changes and developments taking place in industries where we operate may also require us to re-evaluate our business model and adopt material changes to our long-term strategies and business plans. Our failure to innovate and adapt to these changes and developments may have a material and adverse effect on our business, financial condition and results of operations. Even if we innovate and adapt to these changes and developments, we may nevertheless fail to realize the anticipated benefits of our long-term strategies and business plans, and such changes could even harm our profitability.

**Our acquisitions may not be successful and we may face difficulties in integrating acquired businesses with our existing operations.**

From time to time, to enhance our growth, we may evaluate various acquisition and strategic partnership opportunities that we believe would enhance our capabilities in terms of product development, technology advancement or sales network. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including: substantial time and expenses incurred during negotiation; impact on our financial results, such as occurrence of goodwill impairment charges and amortization expenses for intangible assets; increased operating expenses and cash requirements; the assumption of additional indebtedness, contingent liabilities or unforeseen liabilities; the potential issuance of dilutive equity securities; assimilation of operations, intellectual property and products of an acquired company; the diversion of our management's attention from our existing product programs; retention of key customers; risks and uncertainties associated with the other party to such a transaction; our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives; and deficiencies in internal controls, data adequacy and integrity, product quality and regulatory compliance, and product liabilities, which may subject us to penalties, lawsuits or other liabilities.

We may not be able to identify attractive targets. In addition, we may not be able to successfully acquire the targets identified despite spending a significant amount of time and resources on pursuing such acquisition. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The successful integration of an acquisition may require, among other things, that we integrate and retain key management, sales and other personnel, integrate the acquired technologies or services from both an engineering and a sales and marketing perspective, integrate and support preexisting supplier, distribution and customer relationships, coordinate R&D efforts, and consolidate duplicate facilities and functions. The geographic distance between companies, the complexity of the technologies and operations being integrated, and the disparate corporate cultures being combined may increase the difficulties of integrating an acquired company or technology.

In June 2025, we, through a subsidiary, entered into an asset transfer agreement (the “ATA”) with Wingtech Mobile Communications (India) Private Limited (“**Wingtech India**”) to acquire certain land, plants and manufacturing equipment in India (collectively, the “**Indian Assets**”) for a consideration of approximately RMB311.2 million. Completion of the acquisition was subject to conditions precedent, including valid transfer of the Indian Assets. Prior to execution of the ATA, Wingtech India had been subject to tax investigations and show cause notices relating to, among others, goods and services tax, income tax and customs matters, which were not disclosed to us. Following signing of the ATA, we assumed management of the Indian Assets and paid approximately RMB165 million of the consideration before obtaining legal title of the Indian Assets in accordance with the ATA. Subsequently, Indian tax authorities took enforcement actions and seized or froze certain of the Indian Assets, and the transfer had not been completed as of the Latest Practicable Date. We have ceased our management of the Indian Assets and commenced arbitration before the Singapore International Arbitration Centre seeking termination of the ATA and recovery of the amounts paid plus interest. As of the Latest Practicable Date, the arbitration was ongoing. There can be no assurance that we will

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succeed in the arbitration or recover the amounts claimed in full. Any unfavorable award, or delay or failure in enforcement of a favorable award, may result in financial losses and adversely affect our cash flow and results of operations. In addition, the dispute may lead to management distraction, increased legal and professional costs and reputational risks.

**The industries where we operate are highly competitive.**

The PIMS industry is intense and highly competitive. For details, see “Industry Overview.” Many of our competitors provide products comparable to those we offer and may further upgrade their products and optimize their services. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than us and may have the ability to initiate or withstand significant industry evolution or regulatory changes. Our competitors may have more advanced facilities or equipment, develop more advanced or efficient technologies, acquire more customers, have more professional staff or offer more competitive prices. If we are unable to stay competitive or compete successfully with our competitors, we may experience decreases in market share and sales volume, and may have to reduce our prices or make other concessions, thereby adversely affecting our profitability, business, financial condition and results of operations.

**The expansion and profitability of our consumer electronics business depend on the level of consumer demand, which could be affected by factors such as economic downturn and inflation globally.**

We derive a large portion of our revenue from sales of products and solutions for consumer electronics application scenario. Revenue generated from sales of consumer electronics products and solutions amounted to RMB204.7 billion, RMB233.1 billion and RMB264.3 billion in 2023, 2024 and 2025, respectively, accounting for 88.3%, 86.7%, and 79.5% of our total revenue during the same years, respectively. The success of our business depends, to a significant extent, on consumer demand in the markets where we sell our products. Numerous external factors beyond our control can influence the level of consumer demand on our products. These factors include general economic conditions, inflationary pressures, recession concerns, geopolitical tensions, disease outbreaks, interest rates and sales tax rates. In particular, in the past several years, the global economy has faced significant challenges, including disruptions across industries and supply chains, inflationary pressures in many countries and ongoing volatility in global markets. Any global economic downturn could lead to decreased consumer demand in the geographic markets where we operate, causing customers to reduce their purchases from us. As a result, we may have difficulty maintaining or expanding our revenue or customer base, which could have a material and adverse effect on our business, financial condition and results of operations.

**Adjustment in our product mix may result in fluctuations in our profitability, which may affect our financial condition and results of operations.**

Our results of operations are affected by changes in our product mix. During the Track Record Period, we offered products for a variety of application scenarios, including consumer electronics, automotive electronics, and communication and data centers, among others, to capture a broader range of market opportunities, enhance the diversity of our product offerings and improve our profitability. Our revenue generated from sales of consumer electronics products and solutions amounted to RMB204.7 billion, RMB233.1 billion and RMB264.3 billion in 2023, 2024 and 2025, respectively, representing 88.3%, 86.7% and 79.5% of our total revenue in the same years, respectively. As we expand our product mix, we expect revenue from other business lines to account for a larger percentage of our total revenue in the future.

Our wide range of products and solutions have different selling prices and margin profiles. For example, our gross profit margin for automotive electronics was 15.7%, 15.8% and 15.6% in 2023, 2024 and 2025, respectively, higher than our overall gross profit margin, which was 11.1%, 10.1% and 11.6%, respectively, for the same years. Moreover, component and module products have a higher gross profit margin than system integration solutions in general. Therefore, change in our mix of products and

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solutions could affect our overall profit margin. Any adjustment in product mix may result in fluctuations in our profitability. We cannot guarantee that our business adjustments will be consistently successful, and that we will continue to sustain our gross profit margins and profitability levels in the future.

**Our expansion into new products and solutions may not yield the intended results.**

We operate in an industry that is subject to rapid and unpredictable changes in customer demand and trends. Our success depends to a large extent on our ability to provide customers with new, attractive products tailored to their needs on a timely basis at favorable profit margins.

The commercial success of new products and solutions is subject to many factors that are not entirely within our control, including our ability to carry out effective and efficient technology development and manufacturing, gauge market demand, make timely delivery and offer satisfactory after sales services for the new products. If our new products cannot achieve good commercial results, we may be unable to achieve desired revenue and profit return, or even recoup initial investments.

We may also sell new products and solutions to new markets, the success of which is dependent on various factors such as market conditions, competition landscape, regulatory environment, supply chain, customer demand, and the positioning of our new products, as well as our ability to offer such products at competitive terms and prices. The new markets may have high entry barriers, which may prevent new entrants to achieve market penetration. There can be no assurance that we will be able to successfully satisfy our customer demand on a sustainable and profitable basis.

**There may be sudden shortage or defect in supply of certain raw materials and components which may lead to delay or failure in fulfillment of orders.**

We procure materials for the multiple business lines we operate, including (i) raw materials and components, and (ii) precision instruments and equipment. For details, see “Business—Raw Materials and Supply Chain.” Although we check the availability of the raw materials or components when we provide quotations to our customers, there is typically a gap between the timing of our quotations and the placing of orders for these raw materials and components. If there is a sudden shortage or delay in supply of the relevant raw materials or components, it could delay the fulfillment of our orders. If the relevant raw materials or components are no longer available, we may fail to supply certain products to our customers, and additional R&D resources may be needed to modify certain specifications of the product to use alternative raw materials or components of other brands. We may find it difficult, costly and time-consuming to find alternative supply of these materials and components, or to change product design to use alternative raw materials and components. We cannot assure that we could source a sufficient quantity of high-quality raw materials and components used in our products at reasonable costs. Our supply to customers will be disrupted and our customers may request discounts or claim damages and our profit will be reduced and reputation will be adversely affected.

**Fluctuations in the prices of materials may affect our cost of sales, business operations and profitability.**

Cost of materials constitutes the major part of our cost of sales. Our cost of materials was RMB177.6 billion, RMB207.5 billion and RMB247.9 billion in 2023, 2024 and 2025, respectively, accounting for 86.1%, 85.9% and 84.3% of our total cost of sales, respectively. We procure materials for the multiple business lines we operate, including (i) raw materials and components, and (ii) precision instruments and equipment. Furthermore, strong procurement ability of suitable materials to meet our customers’ standard of the end products is critical for our business operation. We have to bear the risk of cost fluctuations and may not be able to shift such risk to our customers. Hence, any increase in the price of materials will directly affect our profitability if we fail to accurately estimate the cost of the materials to fulfill the purchase orders of customers. For details, see “Business—Raw Materials and Supply Chain” and “Financial Information—Key Factors Affecting Our Results of Operations—Cost Control and Operational Efficiency.” There is no assurance that our suppliers will not significantly increase the prices of raw materials or components in the future, in particular when the



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market prices of or the market demand for such raw materials or components increase. There is also no assurance that we will be able to pass on the increase in the cost of raw materials or components to our customers in a timely manner to avoid adverse impacts on our profitability.

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

Our growth prospects and future profitability depend on, among others, our ability to upgrade and expand our production capability and capacity, either generally or with respect to demand from customers for particular products. For details, see “Business—Manufacturing—Production Capacity and Utilization.” To successfully upgrade and expand our production capability and capacity, we need to make cost-effective and efficient upgrade and expansion plans, expand and construct new facilities or equipment either by our own R&D or procurements from third parties, and hire and train professionals necessary to operate such facilities or equipment, all of which may be affected by several factors, including: availability of working capital for purchasing facilities or equipment; shortages or delays in the delivery of facilities or equipment; difficulties or delays which may arise in installing the facilities or equipment; and implementation of new manufacturing processes.

We cannot guarantee that our upgrade or expansion plan, if implemented, will be operationally or financially successful and substantiated by sufficient market demand for or profit margin of our products. If we are unable to implement the upgrade or expansion plan cost-effectively and efficiently, our business and profitability may be adversely affected. In particular, the implementation of our expansion plans may incur significant staff costs, increased depreciation and amortization charges associated with our new production lines or new equipment and machinery and other expenses, which may adversely affect our financial condition. In addition, if we do not receive sufficient orders from our customers to effectively utilize our production bases, we may be subject to low utilization rates of production capacity, over-capacity or high depreciation charges for our production bases, which may hurt our profitability and results of operations. Furthermore, if market demand declines in the future, we may not be able to recoup the costs incurred for construction of any new factories or expansion of any existing factories and maintenance of expanded production capacity. Any delay or cancellation of our expansion plan could also subject us to disputes with various counter-parties. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

**Any deterioration in labor relations, labor shortages and increase in labor cost may have an adverse effect on our business operations.**

Despite our ongoing efforts to enhance automation, certain aspects of our manufacturing process have to be carried out manually. Our need for production personnel may increase in aligning with the expansion of our production capacity and increase of our production volume. There is no assurance that we will not experience any labor shortage for our production or that the labor costs will not increase in the future. Furthermore, if labor costs increase, our production costs will increase correspondingly and we may not be able to shift these extra costs to our customers due to competitive pricing pressures among our competitors. If we fail to retain our existing labor and/or recruit sufficient labor in a timely manner, we may not be able to accommodate any increase in demand for our products or smoothly implement our expansion plans. As a result, our business, financial condition and results of operations would be materially and adversely affected.

**Our delivery and return policies, and possible product liability claims, may affect our results of operations.**

Our commercial success depends on consistently delivering quality and reliable products. If the quality of any of our products deteriorates or fails to meet customers’ expectations, we may face customer complaints, return requests, or order cancellations. Our products may have quality issues or undetected defects or errors. These may be due to product design, software, components or manufacture. If our customers return products to us, we will incur additional labor costs and raw

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material costs to fix the products with quality problem, which may materially and adversely affect our profitability, in addition to our brand name and reputation. Further, if our products fail to meet the required standard to end-users, our customers may need to recall these products. We may also be subject to product liability claims. If any product liability claims are brought against our customers and regardless of whether our customers have merits, we would need to spend a significant amount of money defending these claims. As a result, we may need to bear significant legal costs and pay substantial damages.

**Unexpected disruptions to our production bases or manufacturing process may adversely affect our business operations.**

Our business operations are heavily dependent on our production bases. Our production bases are subject to operating risks, such as equipment failures, disruptions in power supply, industrial accidents, labor shortage, strike, fire or natural disasters. If any unanticipated or prolonged interruption of our operations at our production bases happens due to any of the aforesaid risks, we may not be able to deliver our products to our customers in a timely manner or at all. As a result, our relationship with our customers could be adversely affected due to our failure and we may also be subject to contractual claims for compensation from our customers, which may materially and adversely affect our business, financial condition and results of operations.

Furthermore, our operation process covers from R&D through production, storage, logistics, marketing and sales to after-sales services. Any interruption or failure in the operation process could result in product quality or safety problems and other regulatory or environmental risks that may have a material and adverse impact on our business. In addition, the use of the more advanced, complex and costly technologies and equipment may further increase our exposure to operational risks and the difficulty in timely repair or replacement. Any interruption in the operation throughout our entire operation process for an extended period could cause us to suffer financial loss and reputational harm, which may materially and adversely affect our business, financial condition and results of operations.

**We are exposed to the risk of production safety accidents.**

Our operations are subject to risks related to workplace safety, including damage to, or destruction of, production equipment and facilities, or operational accidents, and could also result in personal injury, death, performance delays, monetary losses and legal liability. We are required to comply with laws and regulations related to production safety in the jurisdictions where we operate. For details, see “Regulatory Overview—Regulations on Production Safety.” There can be no assurance that serious accidents or fatalities will not occur during our manufacturing process or on our premises in the future. If an accident occurs, we may be held liable for compensation arising from personal injury, loss of life, property damage, or for fines and penalties imposed for breaches of applicable laws and regulations. Furthermore, we may be subject to business interruptions caused by shutdowns or suspension of operations due to government investigations or the requirement to implement additional safety measures.

**Negative publicity and allegations involving us, our shareholders, directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and results of operations may be negatively affected.**

Negative publicity and allegations involving us, our shareholders, directors, officers, employees, business partners, and our products and solutions may arise from time to time. Negative comments on the properties managed by us, products and solutions offered by us, our business operations and management may appear in internet postings and other media sources from time to time and we cannot assure you that other types of negative publicity will not arise in the future. Moreover, negative publicity about other companies providing similar products and solutions as us may arise from time to time and cause customers to lose confidence in the products and solutions offered by us. Any such negative publicity, regardless of veracity, may have a material adverse effect on our business, our reputation and the trading price of our Shares.



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**We may be adversely affected by any significant disruption of performance of third party warehousing and logistics service providers.**

During the Track Record Period, we relied on third-party service providers for services in connection with our business, such as warehousing and logistics services. However, any natural or man-made disasters or other unanticipated catastrophic events could impair the operations of our suppliers and/or disrupt our transportation channels and customs clearance procedure, and impede our ability to manufacture and deliver our products to customers in a timely manner. If the third-party service providers do not perform satisfactorily, substantially reduce the amount and scope of services provided to us, substantially increase the prices of their services or terminate their business relationship with us, we may need to replace the third-party service providers or take other remedial actions which could increase our costs of operations. As we do not have direct control over the third-party service providers, if they become involved in the unauthorized provision of services not complying with our requirements or that of our customers, our reputation in the industry will be affected.

**We may fail to obtain sufficient funding for our operations and expansion activities on commercially reasonable terms, or at all, and any debt financing may contain covenants that restrict our business or operations. In addition, our reliance on short-term borrowings exposes us to refinancing risk, and any inability to renew or refinance such borrowings could materially and adversely affect our liquidity, financial condition, and results of operations.**

Our expansion plans will require us to make substantial capital investment such as expenditures on construction of factories and purchase of equipment in connection with the growth of our business. In the past, we have funded our operations and expansion mainly through cash generated from operations and bank borrowings, and we expect to continue to rely on these resources in the future. In particular, we have historically relied, and expect to continue to rely, on short-term borrowings to finance a portion of our working capital and operational requirements. As of December 31, 2025, our short-term borrowings amounted to RMB70.3 billion, representing 68.8% of our total indebtedness. Short-term borrowings are typically subject to renewal or refinancing upon maturity, and there can be no assurance that we will be able to renew or refinance our short-term borrowings on terms acceptable to us, or at all. Our ability to obtain additional financing in the future is subject to a variety of uncertainties, including: our future financial condition, results of operation and cash flows; general market conditions for capital raising activities; and economic, political and other conditions.

**Failure to maintain optimal inventory level could increase our inventory holding costs or cause us to lose sales, either of which could have an adverse effect on our business, financial condition and results of operations.**

Maintaining optimal inventory levels is critical to our financial health. The balance of our inventories as of December 31, 2023, 2024 and 2025 amounted to RMB29.4 billion, RMB31.5 billion and RMB42.0 billion, respectively, and accounted for approximately 18.2%, 14.1%, and 13.7%, respectively, of our total assets as of the same dates. Our inventory turnover days were 59 days, 46 days and 46 days in 2023, 2024 and 2025, respectively. For details, see “Financial Information—Discussion of Certain Key Items from Consolidated Statements of Financial Position—Inventories.” For stocking purposes, we generally forecast demand for the products we sell ahead of the actual time of sale. However, we cannot assure you that we can accurately predict these trends and events and maintain adequate levels of inventory at all times. Significant and unpredictable shifts in market demand can affect the accuracy of our market demand forecast and the effectiveness of our procurement and inventory management practice, and we may not be able to timely mitigate the inventory pressure or at all. An unexpected decrease in the market demand for the products we sell could lead to excessive or obsolescent inventory or significant depreciation in inventory value. Moreover, excessive inventory levels may tie up substantial capital resources, limiting our ability to allocate funds to other critical areas. Conversely, if we underestimate customer demand, we may experience inventory shortages, thereby impacting our ability to generate sales and cause damage to our reputation and relationships with our customers. Any of the above may materially and adversely affect our business, financial condition and results of operations.

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### **We are subject to credit risk arising from trade and note receivables due from our customers.**

Failure to collect our trade and note receivables fully or timely may have an adverse effect on our results of operations and financial condition. We generally grant our customers a credit period of 30 to 60 days. As of December 31, 2023, 2024 and 2025, we had trade and note receivables of approximately RMB23.8 billion, RMB32.9 billion and RMB49.0 billion, respectively. As a result, we may be exposed to credit risk. Our trade and note receivables turnover days were 40 days, 38 days and 45 days in 2023, 2024 and 2025, respectively. As of December 31, 2023, 2024 and 2025, our loss allowance for trade receivables was RMB111.6 million, RMB121.2 million and RMB341.0 million, respectively, which is estimated based on information currently available to us. Our loss allowance for trade receivables increased to RMB341.0 million as of December 31, 2025 from RMB121.2 million as of December 31, 2024, primarily due to the increase in the overall balance of trade receivables following the consolidation of new businesses and our organic growth during the year, while the expected credit loss rate applied remained broadly unchanged. However, such estimation or assumptions may need to be adjusted if new information becomes known. In the event that the actual recoverability is lower than expected, or that our past allowance for impairment of trade receivables becomes insufficient in light of the new information, we may need to make more allowance for impairment of trade receivables, which may in turn adversely affect our business, financial condition, and results of operations. For details, see “Financial Information —Discussion of Certain Key Items from Consolidated Statements of Financial Position—Trade and Note Receivables.”

### **We could be adversely affected if we violate economic sanctions, export control and similar laws in various jurisdictions where we operate.**

We are subject to economic sanctions, export control and similar laws and regulations in various countries or jurisdictions in which we conduct business. We take precautions to prevent our products from being provided to any target of sanctions. However, we cannot assure you that our products would not be resold or otherwise provided to such targets by our customers. Any such resale or provision could subject us to potential government investigations, penalties and reputation damage.

Our legal advisors as to international trade and sanctions (the “**International Sanctions Legal Advisors**”) have reviewed our business operations, including our sanctions and export control compliance procedures, and have confirmed that we have well designed and proper procedures to comply with U.S. and other international sanctions and export control laws, and they found no violations of such laws during the Track Record Period and up to the Latest Practicable Date. Our International Sanctions Legal Advisors have confirmed that no member of our Group is currently included in the Entity List or otherwise subject to any other international sanctions programs. In July 2025, we completed the acquisition of the Wingtech Businesses. The Wingtech Businesses do not involve any development, production, design or fabrication of any integrated circuits or semiconductors. Wingtech Technology was added to the Entity List in December 2024 because of its involvement in “sensitive semiconductor manufacturing.” As the Wingtech Businesses that we acquired are no longer related to Wingtech Technology, our International Sanctions Legal Advisors have confirmed that the inclusion of Wingtech Technology in the Entity List has not had any legal impact on the Wingtech Businesses, that this aspect of our business does not violate any export control or sanctions law and that we had not engaged in any Primary Sanctioned Activity or Secondary Sanctionable Activity during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we had not sold any items that are “subject to the EAR” as that term is defined in the EAR to entities included in the Entity List or other export restricted parties. If a prospective customer is on the Entity List or other U.S. export restricted list, our trade compliance team calculates the U.S. controlled content by value following the rules in EAR part 743, and we do not sell any items to the prospective customer unless this calculation (including a separate calculation for the U.S. content percentage of any software in the product) is found to be *de minimis* as defined by the EAR and the item is also confirmed not to be subject to the EAR under the Foreign Direct Product (“**FDP**”) rule. One of our major customers, Customer C/Supplier B, to which we sold charging cables and docking stations that we manufactured during the Track Record Period is on the Entity List. Our sales to Customer C/Supplier B accounted for 2.6%, 2.3%, and

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1.7% of our total revenue in 2023, 2024 and 2025, respectively. During the Track Record Period, we also sold products to certain other customers on the Entity List. Our sales to such customers in aggregate accounted for 0.2%, 0.2% and 0.1% of our total revenue in 2023, 2024 and 2025, respectively. To the best of our knowledge, the products we sold to Customer C/Supplier B and other customers on the Entity List did not incorporate any U.S. content. The result of the *de minimis* calculation is therefore 0%, and nothing in such products was subject to the Foreign Direct Product rule. Our International Sanctions Legal Advisors have reviewed our application of the *de minimis* and FDP rules and confirmed them to be correct. We have not engaged, and have no plans to engage, in any engineering collaboration with any parties on the Entity List or other restricted lists of the U.S., United Nations, EU or UK. Our International Sanctions Legal Advisors have reviewed our business and found that we did not violate any U.S. export control law during the Track Record Period and up to the Latest Practicable Date.

We had sales to Russian customers in an amount of RMB0.02 million, RMB0.02 million and nil in 2023, 2024 and 2025, respectively, which involved wiring harness and connectors typical of use by consumers or small businesses. Our sales to Russian customers have been completely ceased since March 2024. The sanctions regulations in relation to Russia are directed at listed persons, specified industrial sectors such as the oil and defense sectors, and non-EAR99 items (with the exception of certain U.S. EAR99 software). Despite our sales to Russian customers, during the Track Record Period and up to the Latest Practicable Date, we did not make sales to any parties who were listed as Specially Designated Nationals by the U.S. Office of Foreign Assets Control and did not sell to parties targeted by sectoral sanctions (e.g., government, oil industry, banks or data centers). The products we sold to Russian customers were wiring harnesses and connectors typical of use by consumers or small businesses, which by their nature did not suggest a diversion risk to targeted sectors. The type of wiring harnesses and connectors we sold to Russian customers have not been the target of export restrictions under the EAR. Our International Sanctions Legal Advisors have confirmed that our sales to Russian customers do not constitute Primary Sanctioned Activity or Secondary Sanctionable Activity and have not violated any of these sanctions or export control restrictions. Our screening of counterparties with which we do business is designed to detect and block business with persons listed as subject to sanctions by the U.S., United Nations, EU or UK. Our International Sanctions Legal Advisors have reviewed our screening methodology and confirmed that it is appropriately designed to block business with sanctioned persons and that the business we conducted with Russian customers did not violate any export control or sanctions law.

### **A portion of the A Shares held by our Controlling Shareholders are pledged.**

As of the Latest Practicable Date, Luxshare Limited pledged 1,033,292,000 A Shares, representing approximately 14.12% of the total issued share capital of our Company as collateral in favor of certain licensed commercial banks which will continue to subsist after Listing. Luxshare Limited will only pledge additional Shares to the extent permissible under the Listing Rules and further announcements will be made by our Company as and when appropriate and required under the Listing Rules. For details, see “Substantial Shareholders—Share Pledges by Luxshare Limited.”

In the unlikely event of default by Luxshare Limited under such commercial loans, the lenders can enforce the share pledge arrangement and our Controlling Shareholders may cease to be controlling shareholders of our Company, which could have a negative impact on the control of our Controlling Shareholders in our operations, and in turn our business and financial results.

### **We may be involved in intellectual property disputes and claims.**

We regard our intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete agreements with our employees and others, to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be

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## RISK FACTORS

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challenged by third parties or found by a judicial authority to be invalid or unenforceable. Further, because of the rapid pace of technological changes in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain technologies from these third parties at all or on reasonable terms.

It is often difficult to register, maintain and enforce intellectual property rights. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and could put our intellectual property at risk of being invalidated or narrowed in scope. We can provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations. 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.

In addition, we may encounter claims by third parties that our technologies, processes or products infringe the intellectual property rights of others or that we have misappropriated the trade secrets of others, which may subject us to future litigation. We may also initiate lawsuits to defend the ownership of our intellectual property rights. It is difficult 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.

**We may be involved in disputes, legal and other proceedings arising out of our operations and activities from time to time and may face liabilities as a result.**

As we operate a number of business lines in various countries and regions in the world, we may be involved in disputes, legal and other proceedings from time to time with various parties, including our customers, suppliers, employees, logistics service providers and banks, in relation to our business operations, commercial transactions, mergers and acquisitions, business expansions, product liability, workers' compensation, IP claims, regulatory actions and shareholding disputes. During the Track Record Period, our chairlady faced investigations and allegations from relevant Taiwan authorities in connection with certain business activities of our subsidiaries and related parties in Taiwan, and is currently subject to temporary travel restrictions to Taiwan. For details, please see "Directors and Senior Management—Further Information" and "Regulatory Overview—Laws and regulations relating to our business operations in Taiwan." These investigations and allegations, along with any other such investigations we or our Directors or senior management may be involved in, may lead to legal or other proceedings and negative publicity, damage our reputation, divert our resources and management's attention and limit our capability to expand our presence in certain geographical markets. Costs may have to be incurred in settling such investigations and allegations or defending ourselves in any related proceedings, and we may be held liable for damages and other liabilities, which may negatively impact our business, results of operations and financial position. In addition, we may have compliance issues in the course of our operations, which may subject us to administrative proceedings or unfavorable decrees that may result in liabilities and cause other material adverse effects on our business, results of operations and financial position.

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## RISK FACTORS

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**We may fail to obtain or renew required permits, licenses, certificates or other relevant governmental approvals necessary for our business operations.**

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and certifications in order to operate our business. For details, see “Business—Licenses, Permits and Approvals.” Complying with such laws and regulations may require substantial expense and may impose a significant burden, while any non-compliance may expose us to liability. Furthermore, with the introduction and enactment of new laws and regulations, as well as the refinement of interpretations and applications of existing ones, we cannot guarantee that we will be able to obtain all requisite approvals, licenses, permits and certifications.

In addition, in the event that we are required to renew our existing licenses or permits or acquire new ones, whether as a result of the promulgation of new laws and regulations or otherwise, we cannot assure you that we will be able to meet the requisite conditions and requirements, or obtain all requisite approvals, licenses, permits and certifications in a timely manner. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

**We are subject to labor related laws and regulations and any inability to comply with such laws and regulations may subject us to liabilities.**

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance, housing provident fund and other welfare-oriented payment obligations. For details, see “Regulatory Overview—Regulations on Labor and Social Welfare.” The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments. Employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties.

During the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident fund. However, there is no assurance that our historical and current practice with respect to the contribution of social insurance plans and housing provident fund will at all times satisfy the government authorities in Chinese Mainland mainly due to the evolving interpretation and implementation of these laws and regulations. In the event of any non-compliance, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so. We have not made provisions for any shortfall in social insurance and housing provident fund contributions, as the risk of our Company and our Major Subsidiaries established in the PRC being subject to material administrative penalties or concentrated collection is low. This assessment is based on the absence of any related penalty during the Track Record Period and up to the Latest Practicable Date, relevant policies prohibiting proactive inspections or concentrated collection of historical arrears, communications with the competent authorities indicating enforcement is complaint-driven, the lack of material employee complaints as of the Latest Practicable Date, and our intention to promptly rectify and make any required contributions if so requested by the competent authorities in the future.

In addition, our employment practice, including fair labor practices, anti-labor exploitation and corruption, may be subject to allegations of non-compliance with labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations. Such risks may have an adverse effect on our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any related lawsuits, legal proceedings or complaints.



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## RISK FACTORS

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

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

As of December 31, 2025, 566 of our lease agreements had not been registered and filed with relevant governmental authorities. According to applicable PRC laws and regulations, the lessor and the lessee of a lease agreement are required to register and file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. As registration and filing of the lease agreement will require the cooperation of the landlord, we cannot assure you that we can complete the registration and filing of such lease agreement in a timely manner or at all. If the registration and filing is not made, the governmental authorities may require that the filing be made within a prescribed period of time, failing which they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly registered and filed.

As of December 31, 2025, we had not obtained the property ownership certificates for 11 owned properties and a parcel of land held under land use rights in the PRC. While we are in the process of fulfilling the relevant procedures required for the ownership certificates for these properties, we may not be able to obtain these certificates in a timely manner or at all. As a consequence of the foregoing, our rights to these properties may be limited or challenged by relevant governmental authorities or third parties.

As of the Latest Practicable Date, we had not been subject to any material penalty arising from our leased and owned properties. However, we cannot assure you that we would not be subject to any penalties and/or forced to relocate, which may adversely affect our results of operations and financial condition.

**Our success depends, to a certain extent, on the retention of our senior management team and our ability to attract and retain qualified and experienced employees.**

Our key management team have extensive experience in the PIMS industry and much of our future success depends on the continued contributions of our senior management and other key employees, many of whom are difficult to replace. The loss of the services of any of our executive officers, our senior management team and other highly skilled employees could harm our business. We cannot assure you that one or more of these key personnel may stay with us in the future and it could be time consuming and difficult to find their replacement. If we fail to attract, hire, assimilate and retain competent and experienced management personnel, our business could be materially and adversely affected.

Further, our continued success also depends on the contribution of our highly skilled technical personnel, such as our R&D team and our quality engineers. If we are not able to recruit and retain highly skilled technical personnel with the required experience, our R&D capability or production will be adversely affected, in which event our business, financial condition and results of operations would be materially and adversely affected.

**We may not have adequate insurance to cover all losses and claims associated with our operations.**

We face various risks in connection with our business and maintain insurance policies to safeguard against these risks and unexpected events related to our operations. As of the Latest Practicable Date, we maintained property insurance for our production base and inventory, product liability insurance for the manufacturing and sales of our products, marine cargo insurance for the transportation of goods, and export credit insurance for receivables from overseas customers. Our Directors are of the view that our insurance coverage is sufficient and adequate and is in line with customary industry practices. For details, see “Business—Insurance.” However, there can be no assurance that our insurance coverage will be sufficient to cover all our risk exposures and prevent us from incurring losses. In addition, there is no guarantee that we will be able to successfully claim on



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our current insurance policies in a timely manner or at all, as the exclusions and limitations on coverage could prevent us from claiming against the insurers. If our insurance coverage is unavailable or insufficient to address any such exposures, we may face substantial costs and resources diversion, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

**Our operations rely on IT systems and networks, and any IT systems and digital platform failures, network disruptions or cybersecurity breaches may affect our business.**

We rely on information technology systems, some of which are supported by third party vendors including cloud-based systems and managed service providers, to manage and operate our business. We invest in new information technology systems designed to improve our operations. If these systems cease to function properly, experience security breaches or disruptions or do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have a material and adverse impact on our business, financial condition and results of operations.

Our information technology systems have been, and will continue to be, subject to computer viruses or other malicious codes, unauthorized access attempts, phishing and other cyberattacks. We cannot guarantee that our security efforts will prevent breaches or breakdowns to our or our third-party providers' databases or systems. If the information technology systems, networks or service providers we rely upon fail to function properly, our business continuity and disaster recovery plans may not effectively address these failures on a timely basis and our reputation, business, financial condition and results of operations may be materially and adversely affected.

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

During the ordinary course of our business operations, we collect and store business, management, and transaction data, such as information in relation to our business and transactions with our customers, suppliers, and other relevant parties. Therefore, we are subject to laws and regulations relating to data protection and information security. Any improper handling of data or any other information security incidents, such as unauthorized access to our database by hackers, could result in reputation damage and/or civil or regulatory liabilities that may have significant legal, financial and operational consequences. Regulatory requirements regarding the data security and data protection are constantly evolving, of which the interpretation and application are also evolving and subject to change that may affect us. If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failures could damage our reputation, results of operations and business prospects and/or could lead to civil or regulatory liabilities. Complying with new laws and regulations could also cause us to incur substantial costs or require us to change our business practices in a manner that has a material and adverse effect on our business.

**We are exposed to risks associated with failing to detect and prevent fraud, negligence or other misconduct committed by our employees, third-party subcontractors or third parties.**

Breach of law, fraud, breach of confidentiality obligations towards our customers or other misconduct by our employees or other third parties is difficult to detect or prevent, and any precautions we take to detect and prevent improper or illegal activities may not be effective in controlling unknown or unmanaged risks or losses. There is no assurance that we will be able to identify non-compliance incidents or suspicious transactions promptly or at all. Any of the above circumstances may subject us to substantial liabilities, financial loss, administrative penalties, government investigations and sanctions by regulatory authorities, which may not only harm our reputation and corporate image, but also have a material and adverse impact on our business, financial condition and results of operations.

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## RISK FACTORS

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**Our results of operations and financial performance may be adversely affected by war, terrorism, geopolitical uncertainties, public health issues, adverse weather conditions, natural disasters and other catastrophes.**

War, terrorism, geopolitical uncertainties, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our suppliers, logistics service providers and customers. For example, the war in the Middle East has escalated significantly since late February 2026, and the Russia-Ukraine conflict is persisting, resulting in heightened regional tensions and market volatility. During the Track Record Period and up to the Latest Practicable Date, none of our major customers was located in the Middle East or Ukraine, nor did we source any major raw materials from these regions. Geopolitical-driven increases in crude oil prices may result in higher logistics costs; however, such logistics costs were borne by our customers according to the contracts. We have two production bases in the Middle East, one located in Türkiye and the other in Egypt, neither of which has been involved in the recent regional conflicts. We also have a production base in western Ukraine, which is geographically distant from active conflict zones. As a result, during the Track Record Period and up to the Latest Practicable Date, geopolitical conflicts, including those in the Middle East and Ukraine, had not had any material adverse impact on our business operations and financial performance. However, any escalation or wider spill-over of such conflicts in the future may disrupt regional markets or supply chains and could have a material adverse impact on our business and operations in such regions. Our business operations are subject to interruption by, among others, natural disasters, whether as a result of climate change or otherwise, fire, power shortages and other industrial accidents, terrorist attacks and other hostile acts, labor disputes, pandemics, along with demonstrations or strikes, and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive components or products from our suppliers, and create delays and inefficiencies in our supply chain. The unpredictable nature of these events makes it difficult to predict their frequency, timing, and severity. Any of these occurrences could have an adverse impact on our business operations and financial performance.

### **RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE**

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

We operate in various countries and regions in the world. The legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses still needs further clarification. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards, which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which may have retroactive effects. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention depending on the complexity of the cases.

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## RISK FACTORS

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### **We may be subject to risks associated with international trade policies, tariffs and trade protection measures.**

Our operations may be negatively affected by international trade policies and export controls regulations administered by the government authorities in the jurisdictions where we operate. These policies, laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future.

Geopolitical tensions have resulted in changes to trade policies, treaties and tariffs, which could materially and adversely impact our business, financial condition and results of operations. Historically, such geopolitical dynamics have had tangible impacts on trade flows and cost structures for industries globally. The global trade landscape is currently highly volatile. Various countries have announced plans for and/or have already implemented new or modified tariffs. Particularly, in recent years, the U.S. government has advocated greater restrictions on international trade and has increased the tariffs on certain goods imported into the U.S., particularly from the PRC. For example, after Donald Trump became U.S. president again in January 2025, the United States imposed several rounds of additional tariffs on Chinese imports, i.e. the products manufactured in China, which U.S. Customs considers to be “of Chinese origin” under applicable U.S. law. In response, China implemented countermeasures by imposing additional tariff on all imports from the United States. As of May 14, 2025, the U.S. agreed to reduce its maximum tariff on Chinese imports from 145% to 30%. This maximum tariff consisted of a 125% “reciprocal” tariff imposed by April 9, 2025 in retaliation for Chinese tariffs imposed in response to the U.S. administration’s April 2, 2025 reciprocal tariff of 84%, plus a so-called “fentanyl” tariff of 20%, subject to certain exceptions. Most Chinese products, including our Chinese products, were subject to these tariffs between April 10, 2025 and May 14, 2025. The reduced rates that took effect on May 14, 2025 included a 10% baseline levy, along with an additional 20% levy based upon alleged activity related to fentanyl distribution. In parallel, China lowered its 125% tariff on American imports to 10%. Following the talks in Stockholm, U.S. and China agreed to seek an extension of their 90-day tariff truce, and the parties agreed to a further 90 day extension on August 11, 2025. The U.S. president threatened on October 10, 2025 to impose an additional 100% tariff on Chinese imports into the United States effective November 1, 2025, but he walked back that threat subsequently. The United States and China reached an agreement on October 30, 2025 that maintained the 10% baseline levy and lowered the 20% U.S. tariff on China concerning fentanyl to 10% effective November 10, 2025 through November 10, 2026. Although the U.S. Supreme Court struck down the U.S. administration’s “reciprocal” and “fentanyl” tariffs on February 20, 2026, the U.S. administration’s position is that the rates agreed under previous trade agreements, including those with China and Vietnam, continue to apply. In addition, the U.S. as of February 24, 2026 also imposed a so-called “global” tariff of 10% (which the U.S. president later said he was raising to 15%), but a court decision struck this down on May 7, 2026, and the U.S. president has said that he will continue to adhere to the agreement announced on October 30, 2025 that imposed a 20% additional tariff on Chinese products. Uncertainty remains on what U.S. tariffs on Chinese products will be in the long run. These actions have significantly affected trade dynamics between the two countries and could potentially increase consumer prices and reduce the profit margins of exported products should the tariff increases. Any decline in profitability could result from the necessity to absorb heightened import costs without fully transferring them to consumers, thereby straining operational budgets and constraining financial flexibility.

The escalating trade disputes between the U.S. and China have intensified their tensions in international relations. We cannot predict how the bilateral relationship between the U.S. and China will further evolve, or anticipate the potential impact that any subsequent development in such relationship may have on our business. Any further escalation in the geopolitical tensions between China and U.S. or other countries that affect our products and/or increase in tariffs could negatively impact our overseas sales. Consequently, our business, financial condition and results of operations may be adversely affected.

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On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Outbound Investment Rule, to implement the executive order of August 9, 2023 (the “**Final Rule**”). The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons that are subject to the Final Rule for a range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as “covered foreign persons.” U.S. persons subject to the Final Rule are prohibited from making, or required to notify, certain investments in covered foreign persons, which are defined as “covered transactions.” The Final Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China, and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. Notably, Donald Trump issued the America First Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies and investment types of concern. As advised by our International Sanctions Legal Advisors, we do not believe we are a covered foreign person under the Final Rule, because we do not engage in a “covered activity” (as defined in the Final Rule) or otherwise meet the definition of covered foreign persons provided in the Final Rule. Specifically, we do not engage in any design, development, production, fabrication or advanced packaging of integrated circuits. We have no activities related to supercomputers or quantum technology, and our artificial intelligence development has been limited to internal business productivity tools trained at powers far below the  $10^{23}$  level referred to in the Final Rule. We also do not have the type of relationship described in the Final Rule with any other Chinese companies that engage in such activities or are on the sanctions lists in the Final Rule. A subscription of H Shares by a U.S. person in the Global Offering, or a purchase of publicly traded H Shares after the Listing by a U.S. person, in each case where such subscription or purchase does not grant the U.S. person rights beyond standard minority shareholder protections, would be an excepted transaction pursuant to 31 C.F.R. §850.501 and therefore would also not constitute a “covered transaction” under the Final Rule. However, the U.S. Department of the Treasury has issued only limited guidance to clarify provisions in the Final Rule, especially in relation to definitions of terms that comprise covered activities. As such, there are uncertainties under the Final Rule, and there is no assurance that the U.S. Department of the Treasury will take the same view as ours. If we were to be deemed a “covered foreign person” due to different views taken by the U.S. Department of the Treasury, potential changes in our business operations or amendments to the relevant regulations, our ability to raise capital may be negatively affected, which could be detrimental to our business, financial condition and prospects.

**Policies regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payment to holders of the H Shares.**

We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of operating costs and expenses and payments of dividends declared in respect of our H Shares, if any. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends, or otherwise satisfy our foreign currency-denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior 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 the PRC to pay capital expenses, such as the repayment of loans denominated in foreign currencies. According to relevant foreign exchange rules, where any material imbalance in international receipts and payments occurs or may occur, the PRC government may implement necessary safeguards and other measures. We cannot assure you that regulations regarding the remittance of RMB into or out of the PRC will not change in the future.

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## RISK FACTORS

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### **Fluctuations in exchange rates could result in foreign currency exchange losses.**

We derive a growing portion of our sales from international customers. Therefore, a portion of our total revenue has been denominated in foreign currencies. Our revenue from our sales to customers incorporated outside of Chinese Mainland represented 84.5%, 84.0%, and 82.4% of our total revenue in 2023, 2024 and 2025, respectively. As a result, we face risks resulting from currency exchange rate fluctuations. We recorded net foreign currency exchange gain of RMB1,010.2 million in 2024, and had net foreign currency exchange loss of RMB73.0 million and RMB252.2 million in 2023 and 2025, respectively. Our exchange rate risks mainly arise from financial assets and financial liabilities denominated in U.S. dollars. If the RMB appreciates against U.S. dollar and other factors remain unchanged, our profit before taxation would decrease, and vice versa. We cannot predict the impact of future exchange rate fluctuations on our results of operations and may incur net foreign currency losses in the future. Our results of operations and financial condition will also be affected by U.S. monetary policies, which are out of our control and unpredictable.

### **You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior 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.

### **Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.**

Under the EIT Law and the Regulation on 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》), enterprises established under the laws of jurisdictions outside of Chinese Mainland with "de facto management bodies" located in Chinese Mainland may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (the "**Circular 82**"), specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within Chinese Mainland as major controlling shareholders under the laws of foreign countries (regions) will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within Chinese Mainland; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in Chinese Mainland; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located



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or kept within Chinese Mainland; and (iv) at least half of the directors with voting rights or senior management reside within Chinese Mainland. The SAT has subsequently provided further guidance on the implementation of the Circular 82.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on our offshore subsidiaries' global income, except that the dividends they receive from our Chinese Mainland subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

**We could be subject to changes in our tax rates, the adoption of new tax legislation or exposure to additional tax liabilities.**

The EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. For details, see "Financial Information—Consolidated Statements of Profit or Loss and Other Comprehensive Income—Income Tax Expense." To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the tax laws and regulations in Chinese Mainland may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in Chinese Mainland and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to invest more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes payable is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

### **RISKS RELATING TO THE GLOBAL OFFERING**

**Our A Shares are listed on the Shenzhen Stock Exchange, and 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 Main Board of the Stock Exchange. Under current laws and regulations of China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no direct trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have different 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



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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.

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

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be listed on the Main Board of the Stock Exchange, 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.

**You should not place 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.

**An active trading market for our H Shares may not develop or be sustained.**

Prior to the completion of the Global Offering, there has been 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. The Offer Price for our H Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (on behalf of the Underwriters), and the Offer Price may differ significantly from the market price of our H Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will rise following the Global Offering.

The market price and trading volume of our H Shares may be volatile, which could result in substantial losses for investors who purchase our H Shares in the Global Offering. The market price of our H Shares could also decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. New shares or share-linked securities issued by our Company may also confer rights and privileges that take priority over those conferred by the H Shares. Our Shareholders may experience dilution in their holdings if we issue more securities in the future. In addition, the performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. The Stock

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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.

**Non-PRC resident holders of our H Shares may be subject to Chinese Mainland income tax obligations.**

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese Mainland and a non-Chinese Mainland investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese Mainland sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in Chinese Mainland, or which have an establishment or place of business in Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese Mainland income tax rate if such gains are regarded as income from sources within Chinese Mainland unless a treaty or similar arrangement provides otherwise. As of the Latest Practicable Date, the PRC laws and regulations on individual income tax had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares. See "Regulatory Overview—Laws and Regulations Relating to Our Business Operations in Chinese Mainland—Regulations on Taxation—Dividend Distribution."

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

**The interests of our Controlling Shareholders may not be aligned with the interests of other Shareholders.**

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the Global Offering (assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date), the Controlling Shareholders will be together entitled to control the exercise of approximately 35.63% of the voting rights and thus remain as Controlling Shareholders of our Company. The interests of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect the aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

**Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.**

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distributions of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits, our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable laws

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and regulations in China, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy.

**You should read the entire document 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 Shares or the Global Offering.**

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering. 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 you should not rely on such information.

## WAIVERS AND EXEMPTIONS

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

| Rules                                                                                                                                                                                                         | Subject matter                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Rules 8.12 and 19A.15 of the Listing Rules . . . . .                                                                                                                                                          | Management presence in Hong Kong                                                           |
| Rules 3.28 and 8.17 of the Listing Rules . . . . .                                                                                                                                                            | Appointment of joint company secretaries                                                   |
| Paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules and paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance . . . . .     | Particulars of information of our subsidiaries                                             |
| Rule 17.02(1)(b) of, and Paragraph 27 of Appendix D1A to the Listing Rules and Paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance . . . . . | Disclosure requirements in respect of outstanding share options                            |
| Chapter 14A of the Listing Rules . . . . .                                                                                                                                                                    | Continuing connected transactions                                                          |
| Rules 4.04(2) and 4.04(4)(a) of the Listing Rules . .                                                                                                                                                         | Acquisitions after the Track Record Period                                                 |
| Paragraph 3(b) of Practice Note 15 to the Listing Rules . . . . .                                                                                                                                             | Three-year restriction on spin-off                                                         |
| Rule 10.04 and paragraph 1C(2) of Appendix F1 to the Listing Rules . . . . .                                                                                                                                  | Allocation of H Shares to existing minority Shareholders and their close associates        |
| Paragraph 15(2)(c) of Appendix D1A to the Listing Rules . . . . .                                                                                                                                             | Disclosure of Offer Price                                                                  |
| Paragraph 1C(1) of Appendix F1 to the Listing Rules . . . . .                                                                                                                                                 | Proposed subscription of Shares by certain Cornerstone Investors who are connected clients |

### MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Our Company does not, and for the foreseeable future will not, have two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules. Our Group's business operations and assets are primarily based outside Hong Kong, and it would be practically difficult and not commercially necessary for us to relocate our executive Directors to Hong Kong, or to appoint additional executive Directors for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules on the basis that the following measures have been adopted by us:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, Ms. Wang, chairlady of our Board, executive Director and general manager, and Ms. Leung Wai Yan ("**Ms. Leung**"), our joint company secretary, who will act as our principal channel of communication with the Stock Exchange. Each of our authorized

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representatives is ordinarily resident 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 and will be readily contactable by telephone, facsimile and/or email. Each of our authorized representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and Ms. Leung, our joint company secretary, has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;

- (b) both of our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors has provided his/her respective mobile phone numbers, office phone numbers, fax numbers and email addresses (where available) to our authorized representatives and the Stock Exchange. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone. Each of our Directors and authorized representatives has provided his/her mobile phone numbers, office phone numbers, fax numbers and email addresses (where available) to the Stock Exchange;
- (c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Frontpage Capital Limited as our compliance advisor (the “**Compliance Advisor**”), which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and
- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Advisor.

### APPOINTMENT OF JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Listing Guide, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Chartered Governance Institute, a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong); or (ii) an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

According to Chapter 3.10 of the Listing Guide, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time, but in any case, will not exceed three years from the Listing Date and on the conditions that (i) the company secretary in question must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Ms. Xiao Yunxi (“**Ms. Xiao**”) and Ms. Leung as our joint company secretaries. Ms. Xiao joined our Group in September 2009 and was appointed as our Board secretary on July 5, 2024. She is primarily responsible for the corporate governance, investor relations and company secretarial matters of our Group. Our Directors are of the view that, having regard to Ms. Xiao’s thorough understanding of the overall business operations and corporate governance matters of our

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Group, she is considered as a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal business operations are substantially based and conducted in the PRC, our Directors believe that it is necessary to appoint Ms. Xiao as a joint company secretary whose presence in the headquarters of our Group enables her to attend the day-to-day corporate secretarial matters of our Group and to take the necessary actions in an effective and efficient manner.

However, given that Ms. Xiao does not possess a qualification stipulated in Rule 3.28(1) of the Listing Rules nor the “relevant experience” set out in Rule 3.28(2) of the Listing Rules, she is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. In order to provide support to Ms. Xiao, we have appointed Ms. Leung, an associate member of Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to closely work with and provide support to Ms. Xiao during the waiver period so as to enable Ms. Xiao to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties as a company secretary of a listed issuer.

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 in relation to the appointment of Ms. Xiao as our joint company secretary on the condition that Ms. Xiao will be assisted by Ms. Leung as our joint company secretary throughout the waiver period. By virtue of her experience in corporate secretarial practice, Ms. Leung is, in our Directors’ opinion, a qualified and suitable person to render assistance to Ms. Xiao so as to enable her to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties. In addition, Ms. Xiao will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the waiver period. Our Company will further ensure that Ms. Xiao has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange.

Such waiver will be revoked immediately if and when Ms. Leung ceases to provide such assistance or our Company commits any material breaches of the Listing Rules during the waiver period. Before the expiry of such three-year period, we will liaise with the Stock Exchange to enable it to assess the then experience of Ms. Xiao, having had the benefit of Ms. Leung’s assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See “Directors and Senior Management” for the biographical information of Ms. Xiao and Ms. Leung.

## PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

Paragraphs 13 and 26 of Appendix D1A to the Listing Rules require this prospectus to include the particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of, and the particulars of any alterations in the capital of, any member of our Group within the two years immediately preceding the issue of this prospectus.

Paragraph 27 of Appendix D1A to the Listing Rules require this prospectus to include 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.

Paragraph 25 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires particulars of the authorized debentures of our Company and its subsidiaries to be disclosed in this prospectus.



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Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance require this prospectus to include, information in relation to the name, date and place of incorporation, the public or private status and the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company (a) the whole of the capital of which or a substantial proportion thereof is held or intended to be held by our Company, or (b) whose profits or assets make, or will make a material contribution to the figures in the Accountants' Report or to our Company's next financial statements.

Paragraph 45(2) of Appendix D1A to the Listing Rules requires to disclose the name of each person (other than Directors or chief executive of our Company), who is directly or indirectly interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities.

As of the Latest Practicable Date, we had around 300 subsidiaries globally. The disclosure of the above required information about all our subsidiaries would be unduly burdensome for us as we would incur additional costs and have to allocate additional resources to the preparation and verification of the relevant information for such disclosure, while such information would not be material or meaningful to investors. The non-disclosure of such information in respect of the non-Major Subsidiaries will not prejudice the interest of the investing public.

We have identified 13 Major Subsidiaries that we consider material, taking into account various factors including the significance of their business segments and financial contribution as well as our Group's strategies. By way of illustration, the aggregate revenue of our Company and the Major Subsidiaries (before inter-company eliminations) accounted for 229.8%, 217.2% and 188.4% of the total revenue of our Group (after inter-company eliminations) for the years ended December 31, 2023, 2024 and 2025, respectively; and the aggregate total assets of our Company and the Major Subsidiaries (before inter-company eliminations) accounted for 195.1%, 222.7% and 191.1% of the total assets of our Group (after inter-company eliminations) as of December 31, 2023, 2024 and 2025, respectively; and the aggregate net profits of our Company and the Major Subsidiaries (before inter-company eliminations) accounted for 107.2%, 76.1% and 105.6% of the net profits of our Group (after inter-company eliminations and deduction of share of profits of associates and a joint venture) for the years ended December 31, 2023, 2024 and 2025, respectively. Save for the Major Subsidiaries, none of our other subsidiaries, on a standalone basis, accounted for 5% or more of the revenue, profit or net profit of our Group for each of the years ended December 31, 2023, 2024 and 2025, or held 5% or more of the total assets or net assets of our Group as of December 31, 2023, 2024 and 2025, respectively. None of our non-Major Subsidiaries hold any assets, intellectual property rights, proprietary technologies, licenses or permits that are material to our business or operations.

We have disclosed the particulars of the changes in the share capital of our Company and the Major Subsidiaries, if any, in "Appendix IV—Statutory and General Information—A. Further Information about Our Group." We have also disclosed the corporate information (including name, principal business activities, place and date of incorporation and the interest held by the Group) of the Major Subsidiaries as required under Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in "History and Corporate Structure," and the share capital of the Major Subsidiaries in Note 15 to the Accountants' Report as set out in Appendix I to this prospectus. We have also disclosed in "Appendix IV—Statutory and General Information" particulars of any capital of the Major Subsidiaries which is under option, or agreed conditionally or unconditionally to be put under option. In addition, details of each person (other than Directors or chief executive of our Company) of our Group who is interested in 10% or more of the issued voting shares of any Major Subsidiaries and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities, if any, are disclosed in "Appendix IV —Statutory and General Information—C. Further Information about Directors, Chief Executive and Substantial Shareholders of Our Company."

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We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules in respect of disclosing the following information of our subsidiaries which are not Major Subsidiaries:

- (a) particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital, or the particulars of any alterations in the capital within the two years immediately preceding the issue of this prospectus;
- (b) particulars of any capital which is under option or agreed to be put under option;
- (c) information in relation to the name, date and place of incorporation, public or private status, the general nature of business, the issued capital and the proportion thereof held or intended to be held; and
- (d) the name of each person (other than Directors or chief executive of the Company), who is directly or indirectly interested in 10% or more of the issued voting shares and such person's shareholding.

We have applied for, and the SFC has granted us, a certificate of exemption from strict compliance with the requirements under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the information of our subsidiaries which are not Major Subsidiaries as required under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The exemption is granted by the SFC on the conditions that:

- (i) the particulars of the exemption are disclosed in this prospectus; and
- (ii) this prospectus is issued on or before June 30, 2026.

### DISCLOSURE REQUIREMENTS IN RESPECT OF OUTSTANDING SHARE OPTIONS

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

- (a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this prospectus. Our Company is also required to disclose in this prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options;
- (b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this prospectus particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and
- (c) under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, 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, (i) the period during which it is exercisable; (ii) the price to be paid for shares or debentures subscribed for under it; (iii) the consideration (if any) given or to be given for it or for the right to it; and (iv) 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.

Pursuant to paragraphs 6 of Chapter 3.6 of the Listing Guide, in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the listing document.

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## WAIVERS AND EXEMPTIONS

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Pursuant to paragraph 7 of Chapter 3.6 of the Listing Guide, a waiver from the Share Option Disclosure Requirements is at least subject to the following conditions (the “**Waiver Conditions**”):

- (a) demonstrating that the disclosure required under the relevant Listing Rules would be irrelevant or unduly burdensome;
- (b) disclosing the following in this prospectus:
  - (i) for each of the grantees who is (1) a director, (2) a member of the senior management, or (3) a connected person, all the particulars required under the Share Option Disclosure Requirements;
  - (ii) for the remaining grantees, on an aggregate basis, (1) the aggregate number of grantees and the number of shares underlying the options; (2) the exercise period of each option; (3) the consideration paid for the options; and (4) the exercise price of the options; and
  - (iii) (1) the aggregate number of underlying shares required to be issued to satisfy the options; (2) the percentage of such aggregate number of underlying shares to the issued share capital; and (3) the dilution effect and impact on earnings per share upon full exercise of the options under the Share Option Incentive Plans.
- (c) making available for public inspection a full list of all grantees under the Share Option Incentive Plans with all the particulars required under the Share Option Disclosure Requirements.

Our Company and its subsidiaries may, from time to time, adopt share option incentive plans. For details of the Share Option Incentive Plans which involve the issuance of new A Shares, see section headed “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans.”

As of the Latest Practicable Date, the total number of A Shares underlying all outstanding options granted under the Share Option Incentive Plans amounted to 299,458,471 A Shares, representing approximately 4.09% of the total number of Shares in issue as of the Latest Practicable Date, of which (i) options to subscribe for 6,647,000 A Shares were held by three Directors, representing approximately 0.09% of the total number of Shares in issue as of the Latest Practicable Date; (ii) options to subscribe for 930,000 A Shares were held by two other members of our senior management, representing approximately 0.01% of the total number of Shares in issue as of the Latest Practicable Date; (iii) options to subscribe for 45,178,700 A Shares were held by 25 connected persons who are also our employees and are only connected persons at the subsidiary level (the “**Other Connected Persons**”), representing approximately 0.62% of the total number of Shares in issue as of the Latest Practicable Date and approximately 0.59% of the total number of Shares in issue immediately after completion of the Global Offering (assuming that the Over-allotment Option and the outstanding options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date); (iv) options to subscribe for 18,720,000 A Shares were held by five grantees who hold options to subscribe for 3,000,000 A Shares or more under the Share Option Incentive Plans on an individual basis (the “**Five Grantees**”), representing approximately 0.26% of the total number of Shares in issue as of the Latest Practicable Date and approximately 0.24% of the total number of Shares in issue immediately after completion of the Global Offering (assuming that the Over-allotment Option and the outstanding options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date); and (v) options to subscribe for 227,982,771 A Shares were held by 5,423 other grantees, representing approximately 3.12% of the total number of Shares in issue as of the Latest Practicable Date and approximately 2.96% of the total number of Shares in issue immediately after completion of the Global Offering (assuming that the Over-allotment Option and the outstanding options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised, and no other changes are made to the issued share

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capital of our Company between the Latest Practicable Date and the Listing Date). For further details of the Share Option Incentive Plans, see “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans.”

We have applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules and (ii) the SFC for an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the options and certain grantees in this prospectus on the grounds that the waiver and the exemption will not prejudice the interest of the investing public and strict compliance with the Share Option Disclosure Requirements would be unduly burdensome for our Company for the following reasons, among others:

- (a) given that 5,423 grantees (who are not Directors, members of our senior management, Other Connected Persons or the Five Grantees) are involved as of the granting of outstanding options, strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees under the Share Option Incentive Plans in this prospectus would be costly and unduly burdensome for us in light of a significant increase in cost and timing for information compilation and prospectus preparation. For example, we would need to collect and verify the addresses of a large number of grantees to meet the Share Option Disclosure Requirements;
- (b) the grant and exercise in full of the options under the Share Option Incentive Plans will not cause any material adverse impact to the financial position of our Group;
- (c) there will not be any new H Shares issued under the Share Option Incentive Plans as the Share Option Incentive Plans are share option incentive plans which involve issue of A Shares only;
- (d) non-compliance with the Share Option Disclosure Requirements would not prevent us from providing our potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (e) material information relating to the Share Option Incentive Plans, including the information required under the Waiver Conditions, has been disclosed in this prospectus to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options granted under the Share Option Incentive Plans in making their investment decision.

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

- (a) on an individual basis, full details of the options under the Share Option Incentive Plans granted by our Company to each of the Directors, members of our senior management, the Other Connected Persons and the Five Grantees, will be disclosed in “Appendix IV—Statutory and General Information —D. Share Option Incentive Plans” as required under the Share Option Disclosure Requirements;
- (b) in respect of the options under the Share Option Incentive Plans granted to the remaining grantees (being the grantees who are not our Directors, members of our senior management, Other Connected Persons or the Five Grantees), disclosure will be made, on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (1) (i) 1 to 20,000; (ii) 20,001 to 50,000; and (iii) 50,001 or above for options which were not yet exercisable as of the Latest Practicable Date; and (2) (i) 1 to 10,000; (ii) 10,001 to 20,000; and (iii) 20,001 or above for options which were exercisable as of the Latest Practicable Date, and for each lot of A Shares, the following details are disclosed in this prospectus, including (1) the aggregate number of such grantees and the number of A

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Shares underlying the outstanding options as of the Latest Practicable Date; (2) the consideration paid for the grant of the options; and (3) the exercise period of the options and the exercise price for the options;

- (c) aggregate number of A Shares underlying the options granted under the Share Option Incentive Plans and the percentage to our 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 dilutive effect and impact on earnings per Share upon the full exercise of the outstanding options granted under the Share Option Incentive Plans will be disclosed in “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans;”
- (e) a summary of the major terms of the Share Option Incentive Plans will be disclosed in “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans;”
- (f) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (g) a full list of all grantees under the Share Option Incentive Plans with all the particulars required under the Share Option Disclosure Requirements will be available for public inspection; and
- (h) the particulars of the waiver will be disclosed in this prospectus.

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

- (a) on an individual basis, full details of the options under the Share Option Incentive Plans granted by our Company to each of our Directors, members of our senior management, the Other Connected Persons and the Five Grantees will be disclosed in “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans” as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options under the Share Option Incentive Plans granted to remaining grantees (being the other grantees who are not our Directors, members of our senior management, Other Connected Persons or the Five Grantees), disclosure will be made, on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (1) (i) 1 to 20,000; (ii) 20,001 to 50,000; and (iii) 50,001 or above for options which were not yet exercisable as of the Latest Practicable Date; and (2) (i) 1 to 10,000; (ii) 10,001–20,000; and (iii) 20,001 or above for options which were exercisable as of the Latest Practicable Date, and for each lot of A Shares, the following details are disclosed in this prospectus, including (1) the aggregate number of such grantees and the number of A Shares underlying the outstanding options as of the Latest Practicable Date; (2) the consideration paid for the grant of the options; and (3) the exercise period of the options and the exercise price for the options;
- (c) a full list of all grantees under the Share Option Incentive Plans with all the particulars required under the Share Option Disclosure Requirements will be available for public inspection; and
- (d) the particulars of the exemption will be disclosed in this prospectus which will be issued on or before June 30, 2026.



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### CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after the Listing.

We have applied for, and the Stock Exchange has granted us, waivers from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in “Connected Transactions—B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders’ Approval Requirements.”

See “Connected Transactions” for further information.

### ACQUISITIONS AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, a new listing applicant is required to include in its accountants’ report in the listing document the results and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the listing applicant have been made up in respect of each of the three financial years immediately preceding the issue of the listing document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Stock Exchange. For the purpose of Rules 4.04(2) and 4.04(4) of the Listing Rules, “acquisition of business” includes acquisition of associates and any equity interest in another company.

Since the end of the Track Record Period, our Group has made or proposed to make acquisitions and investments in certain companies (the “**Target Companies**”), details of which are set out below (the “**Acquisitions**”).

| No. | Name of the Target Companies <sup>(1)</sup>                          | Acquisition consideration     | Percentage of shareholding <sup>(2)</sup> | Principal business activities                                    | Reasons for the Acquisitions                               | Status                                                                                                   |
|-----|----------------------------------------------------------------------|-------------------------------|-------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| 1.  | Leoni Wiring Systems (Pune) Private Limited <sup>(3)</sup> . . . . . | EUR6,200,000 <sup>(4)</sup>   | 100%                                      | Manufacturing and sales of wiring and cable systems              | Expanding our business of wiring and cable systems         | Obtained the overseas regulatory approval in June 2026 and in the process of confirming the closing date |
| 2.  | Nreal Ltd.. . . . .                                                  | US\$10,000,000 <sup>(5)</sup> | Approximately 1.2%                        | Manufacturing and sales of AR glasses and relevant products      | Expanding our business of AR glasses and relevant products | Settled the consideration on February 2, 2026                                                            |
| 3.  | Company A1 <sup>(6)</sup> . . . . .                                  | USD5,000,000 <sup>(5)</sup>   | 50%                                       | Manufacturing and sales of semiconductor process consumables     | Enhancing our vertical integration of the industrial chain | Signed the agreement and closed the transaction in April 2026                                            |
| 4.  | Company B1 <sup>(6)</sup> . . . . .                                  | RMB200,000,000 <sup>(5)</sup> | Approximately 2.2%                        | Manufacturing and sales of humanoid robots and relevant products | Financial investment in the humanoid robotics industry     | Signed the agreement in March 2026 and settled the consideration in April 2026                           |
| 5.  | Company C1 <sup>(6)</sup> . . . . .                                  | RMB30,000,000 <sup>(5)</sup>  | No more than 10%                          | Manufacturing and sales of intelligent in-vehicle devices        | Expanding our business of intelligent in-vehicle devices   | Signed the agreement and settled the consideration in May 2026                                           |
| 6.  | Company D1 <sup>(6)</sup> . . . . .                                  | RMB3 billion <sup>(7)</sup>   | 100%                                      | Manufacturing and sales of automotive chassis products           | Enhancing our vertical integration of the industrial chain | Signed the agreement in March 2026                                                                       |
| 7.  | Company E1 <sup>(6)</sup> . . . . .                                  | MYR133 million <sup>(5)</sup> | 100%                                      | Manufacturing of consumer electronics products                   | Expanding our business of consumer electronics products    | In the process of contract negotiation                                                                   |



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| No. | Name of the Target Companies <sup>(1)</sup> | Acquisition consideration     | Percentage of shareholding <sup>(2)</sup> | Principal business activities                   | Reasons for the Acquisitions                               | Status                                 |
|-----|---------------------------------------------|-------------------------------|-------------------------------------------|-------------------------------------------------|------------------------------------------------------------|----------------------------------------|
| 8.  | Company F1 <sup>(6)</sup> . . . . .         | RMB120 million <sup>(7)</sup> | 100%                                      | Integrated logistics network solutions provider | Enhancing our vertical integration of the industrial chain | In the process of contract negotiation |

### Notes:

- (1) To the best of our Directors' knowledge, information and belief after having made all reasonable enquiry, each of the Target Companies, the vendors and their ultimate beneficial owners is an Independent Third Party.
- (2) The percentage of shareholding represents our Company's total shareholding in the Target Companies after the completion of the Acquisitions.
- (3) Leoni Wiring Systems (Pune) Private Limited ("Leoni Pune"), formerly a wholly-owned subsidiary of Leoni AG, was disposed of to L2-Beteiligungs GmbH ("L2") prior to our acquisition of the Leoni Business as we had not yet obtained the requisite foreign direct investment approval from the relevant Indian authority to acquire Leoni Pune. In January 2025, we entered into an option agreement with L2 pursuant to which, among others, L2 granted us a call option and we granted L2 a put option in relation to the entire shares in Leoni Wiring Systems (Pune) Private Limited, exercisable under certain conditions including the foreign direct investment approval to be obtained by us from the relevant Indian authority. As of the Latest Practicable Date, neither the call option nor the put option had been exercised. During the Track Record Period, the transactions between Leoni Pune and the Leoni Business entities primarily included procurement and sales of raw materials, engineering services and information technology cost, which are not material to the Leoni Business.
- (4) The consideration of EUR6,200,000 will be increased by an amount of EUR77,500 for every three months from the closing date of the purchase of the share capital of Leoni Pune by L2, which was determined after arm's length negotiation by the parties taking into account of the industry positions, technical expertise and business prospects of Leoni Pune. The incremental amount of EUR77,500 for every three months represents an interest-equivalent adjustment intended to compensate for the deferred receipt of such consideration pending our exercise of the call option.
- (5) The consideration was determined after arm's length negotiations with reference to the market positioning, technical capabilities and business prospects of the target companies. We used or will use our internal resources to settle the consideration.
- (6) The names of the Target Companies are not disclosed because (i) we have entered into confidentiality agreement and do not have consent for such disclosure; and (ii) having taken into account of the competitive nature of the industries in which we operate, disclosure of the names of the Target Companies are commercially sensitive and may jeopardize our ability to consummate the proposed Acquisitions.
- (7) The consideration was determined after arm's length negotiations with reference to the investment amount made by the original shareholder. We will use our internal resources to settle the consideration.

Our Directors believe that, as the principal business activities of the Target Companies are closely related to the Group's core business, the Acquisitions will complement the Group's business. Accordingly, our Directors believe that the Acquisitions, if consummated, will be fair and reasonable and in the interests of the Shareholders as a whole.

We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Target Companies on the following grounds:

- (a) **Ordinary and usual course of business**—our Company makes strategic equity investments in sectors relating to its business as part of its ordinary and usual course of business. Our Company has a history of making acquisitions and have conducted a number of acquisitions during the Track Record Period. The Acquisitions are in line with our acquisition and investment strategy and the terms of the Acquisitions are fair and reasonable and in the interests of our Company and our Shareholders as a whole;
- (b) **Immateriality of Target Companies**—the scale of the business operated by Target Companies as compared to that of our Group is immaterial. Based on the unaudited management accounts of the Target Companies available to us, all the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisitions referenced against the financials of our Company in the most recent financial years of the Track Record Period are less than 5%. Moreover, investments are not significant enough to require our Company to prepare *pro forma* financial information under Rule 4.28 of the Listing Rules.

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Accordingly, our Directors believe that (i) the Acquisitions are immaterial when compared to the scale of our Group's operations as a whole; (ii) the Acquisitions have not resulted in any significant change to the financial position of our Group since the end of the Track Record Period; and (iii) all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of our Group has been included in this prospectus. As such, a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investing public;

- (c) **Unavailability of information**—As we only hold a minority equity interest in each of Nreal Ltd., Company B1 and Company C1, we cannot exercise control over such Target Companies at the board or shareholders' level. In respect of Company A1, we only have one board seat and could not exercise control over such Target Company. In respect of Leoni Pune, Company D1, Company E1 and Company F1, none of the Acquisitions had been completed as of the Latest Practicable Date and we cannot exercise control over such Target Companies at the board or shareholders' level before the completion. Therefore, our Group does not have full and immediate access to their books and records for the purpose of complying with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. Even with full and immediate access to their books and records, it will require considerable time and resources for our Company to familiarize with their management accounting policies and for our Company and our reporting accountants to compile the necessary financial information for disclosure in this prospectus. As such, it would be impracticable and unduly burdensome to our Company to disclose the audited financial information of Target Companies as required under the Listing Rules; and
- (d) **Alternative disclosure available**—our Company has provided in this prospectus alternative information regarding the investments which is comparable to the information that is required to be included in the announcement of a discloseable transaction (as defined in the Listing Rules), including:
  - (i) description of the principal business activities of Target Companies;
  - (ii) confirmation as to whether the counterparty of the Acquisitions is an Independent Third Party;
  - (iii) the basis of the consideration of the Acquisitions;
  - (iv) the reason for the Acquisitions and the benefits which are expected to accrue to our Group as a result thereof; and
  - (v) a statement that our Directors believe that the terms of the Acquisitions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

### THREE-YEAR RESTRICTION ON SPIN-OFF

Paragraph 3(b) of Practice Note 15 (“**PN15**”) provides that the Listing Committee would not normally consider a spin-off application within three years of the date of listing of the issuer with regard to proposals submitted by issuers to effect the separate listing on the Stock Exchange or elsewhere of assets or business wholly or partly within their existing groups (the “**Spin-off**”), given the original listing of the issuer will have been approved on the basis of the issuer's portfolio of businesses at the time of listing, and that the expectation of investors at that time would have been that the issuer would continue to develop those businesses.

Given our significant scale of overall business operation, we assess different opportunities for financing and business operation from time to time with an aim to create value to our shareholders, including spinning off certain business, subject to, amongst others, the market conditions, financing

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needs and development of the business. We wish to retain the possibility to spin-off communication and data centers business of the Luxshare Precision Group (the “**Potential Spin-off Business**”) within three years from the Listing.

### **Communication and Data Centers Business**

The communication and data centers business of the Luxshare Precision Group (the “**Communication and Data Centers Business**”) focuses on (i) communication products and solutions span the entire wireless communication industry value chain, including base station antenna, wireless access, indoor distribution system and point-to-point microwave transmission system; and (ii) data center products and solutions including copper connectivity, optical connectivity, thermal management and power solutions and relevant systems. With the widespread adoption of AI applications globally, data centers are simultaneously seeing exponential growth in demand for computing power, data transmission speed, thermal management, and energy efficiency. The Communication and Data Centers Business is a separate and independent business line of the Luxshare Precision Group. It is clearly delineated from the other businesses of the Luxshare Precision Group in the following respects:

- (i) Different application scenarios: The other business lines of the Luxshare Precision Group primarily serve consumer electronics and automotive electronics applications. In contrast, the Communication and Data Centers Business focuses on data center infrastructure and base station radio-frequency applications. These businesses operate in fundamentally different technical environments, and their respective products are not interchangeable;
- (ii) Different business and technology focuses: The other businesses of the Luxshare Precision Group oriented toward end-user and end-device needs. The consumer electronics business provides solutions for smartphones, computers, tablets, wearables and related peripherals, and the automotive electronics business focuses on intelligent vehicle upgrades, including wiring harnesses and connectors, intelligent chassis, smart cockpit, ADAS and power control systems. In contrast, the Communication and Data Centers Business is not end-device driven. It targets industrial-grade and infrastructure-level sectors, offering copper and optical connectivity, thermal management systems, power solutions and base station radio-frequency product. Its technological architecture, engineering requirements and R&D priorities are therefore distinct from those of the end-device-oriented businesses of the Luxshare Precision Group;
- (iii) Different customer bases: The consumer electronics and automotive electronics businesses of the Luxshare Precision Group serve global consumer electronics brands and automotive manufacturers. In contrast, the Communication and Data Centers Business primarily serves global cloud service providers, telecommunications equipment manufacturers and computing infrastructure providers. Although a limited number of customers may operate in both consumer electronics and AI infrastructure development, these overlapping customers maintain separate procurement, technical and R&D teams for the respective business lines due to the materially different product specifications and operational requirements. Accordingly, the Luxshare Precision Group engages with such customers through distinct business interfaces, ensuring clear separation in customer management, technical collaboration and overall business processes; and
- (iv) Separate intellectual property portfolios: The intellectual property and patents of the Communication and Data Centers Business are specific to its business domain and do not overlap with those of the consumer electronics or automotive electronics businesses of the Luxshare Precision Group. Likewise, the intellectual property portfolios of the other businesses of the Luxshare Precision Group are not applicable to the Communication and Data Centers Business. Each business segment maintains its own core technologies, and patent barriers exist between segments, ensuring technological independence.

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Having considered that (i) the financial contribution of the Potential Spin-off Business does not reach the level of materiality. For each of the three years ended December 31, 2025, the total assets, revenue and profits of the Communication and Data Centers Business accounted for less than 10% of the total assets, revenue and net profits of our Company, respectively; (ii) the Communication and Data Centers Business is operated through separate entity and it is expected that the entity to be spun off will remain as a subsidiary of our Company and be consolidated to the accounts of our Company after the Spin-off; and (iii) there is clear delineation between the Communication and Data Centers Business and the remaining Luxshare Precision Group, our Directors are of the view that the Spin-off of the Communication and Data Centers Business will not have a material impact on our Company's core business and overall financial performance.

The potential Spin-off of the Communication and Data Centers Business is commercially beneficial to our Company and in the interests of our Shareholders as the potential Spin-off is expected to create greater value of our Company and our Shareholders as a whole for the following reasons: (i) the potential Spin-off will unlock value of the Communication and Data Centers Business which is at fast-growing stage and provide our Company and Shareholders an opportunity to realize the value of their investment in the Communication and Data Centers Business under a separate standalone platform; (ii) the potential Spin-off will separate the Communication and Data Centers Business, which will enable our Shareholders to appraise the strategies, success factors, functional exposure, risks and returns of the Communication and Data Centers Business and the Luxshare Precision Group separately and to make or refine their investment decisions accordingly; (iii) after the Spin-off and separate listing, the Communication and Data Centers Business can formulate its strategies and decisions and allocate its resources in a more flexible manner which can further improve its overall operating results, utilize the capital market platform to optimize financing arrangements to fund future expansion plans and better grasp growth opportunities and expand business scale; and (iv) the potential Spin-off of the Communication and Data Centers Business can also provide additional means to attract talents and incentivize its senior management and employees and enable its senior management and employees to share the results from the development of its business through participating in its share incentive schemes.

Our Company wishes to retain the possibility to spin-off the Potential Spin-off Business within three years after the Listing, and does not currently have any detailed plan in relation to such potential Spin-off, including the timetable for Spin-off and the entity to be spun off.

For the avoidance of doubt, there is no assurance as to the timing or the sequence of the potential Spin-off.

Save as disclosed above, our Company confirms that as of the Latest Practicable Date, there was no material omission of any information relating to the potential Spin-off in this prospectus.

### ***Safeguards to protect the interests of the Shareholders***

Despite the potential Spin-off of the Potential Spin-off Business within three years of Listing, our Company believes that there are sufficient safeguards to protect the interests of the Shareholders for the following reasons:

- (a) the financial contribution of the business which are subject to the potential Spin-off is immaterial. The Potential Spin-off Business has an immaterial financial contribution to our Group, with the highest applicable percentage ratio falling below 10% for the three financial years ended December 31, 2025. As the subsidiaries which are subject to the potential Spin-off will continue to be subsidiaries of our Company and consolidated to the financial statements of our Group after the potential Spin-off, there will not be any material impact on the consolidated financial statements of our Group after the potential Spin-off;
- (b) pursuant to Provisions on the Spin-offs of Listed Companies (Trial) (《上市公司分拆規則(試行)》) (the “**Spin-off Rules**”), any proposed Spin-off, regardless of size, must be approved by two-thirds of the votes casted by all shareholders (including both holders of A Shares and, if applicable, H Shares) entitled to vote at the general meeting, as well as two-thirds of

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votes casted by the minority Shareholders, who are not directors or senior management of our Company and who individually or collectively hold less than 5% of the total number of Shares (the “**Minority Shareholders**”), entitled to vote at the general meeting. Before any proposed Spin-off is submitted to the Shareholders for voting, our Company will disclose the detailed Spin-off plan to the Shareholders. Hence, the Shareholders (including the Minority Shareholders) can make an informed decision as to whether to vote for or against such spin-off plan. As such, our Company believes the interest of the Shareholders and their rights will not be prejudiced;

- (c) pursuant to the Spin-off Rules, (i) the net profit of the subsidiary to be spun off, to which the listed company is entitled under the equity in the consolidated financial statements of the listed company for the latest financial year, shall not exceed 50% of the net profit attributable to shareholders of the listed company, and (ii) the net assets of the subsidiary to be spun off, to which the listed company is entitled under the equity in the consolidated financial statements of the listed company for the latest financial year, shall not exceed 30% of the net assets attributable to shareholders of the listed company. The above regulatory restrictions on the size of Spin-off provides additional safeguard to protect the interests of the Shareholders;
- (d) our Directors owe fiduciary duties to our Company, including the duty to act in good faith and in the best interest of our Company. As such, our Directors will only pursue a potential Spin-off if there are clear commercial benefits for both our Company and the subsidiaries which are subject to the potential Spin-off. In addition, our Directors will not direct our Company to conduct any Spin-off if they believe that it will have an adverse impact on the interests of our Company and the Shareholders as a whole.

We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements in paragraph 3(b) of PN15 in relation to the potential Spin-off of the Potential Spin-off Business within three years after the Listing on the following conditions:

- (a) the Potential Spin-off Business under the potential Spin-off is distinct from the remaining business of our Group and the Spin-off will not have any material impact to the operations of the remaining Group;
- (b) the size of the subsidiaries which are subject to the potential Spin-off will be immaterial to our Company as detailed above, and the total assets, revenue and net profits of the Potential Spin-off Business to be spun off will not exceed 25% of our Company’s total assets, revenue and net profits;
- (c) the subsidiaries which are subject to the potential Spin-off will continue to be subsidiaries of our Company and consolidated to the financial statements of our Group after the potential spin-off;
- (d) the potential Spin-off will not lead to a material change in our Company’s principal business, and will not result in our Company failing to meet applicable listing eligibility requirements under the Listing Rules;
- (e) our Company will disclose in this prospectus details of the possibility of spinning off the Potential Spin-off Business, including its business segment, the relevant financial contribution to our Company during the Track Record Period, the relevant reasons and benefits to our Company and the Shareholders, the basis that the potential Spin-off will not affect our Company’s core business and the possibility of the Spin-off; and
- (f) such potential Spin-off by our Company will be subject to the requirements of PN15 unless otherwise waived by the Stock Exchange, and the applicable requirements under Chapter 14 and/or Chapter 14A of the Listing Rules.

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## WAIVERS AND EXEMPTIONS

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Notwithstanding the above waiver, whether or when to proceed with the Spin-off depends on various factors such as market conditions, the regulatory approval procedure, financial performance and valuation of the Potential Spin-off Business. The Spin-off remain highly uncertain and could be subject to material changes in the future.

### WAIVER IN RESPECT OF ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of a listing applicant may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a listing applicant either in his/her/its own name or through nominees if the conditions in Rule 10.03 of the Listing Rules are fulfilled, namely that (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 19A.13A of the Listing Rules is achieved. Paragraph 1C(2) of Appendix F1 to the Listing Rules states that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of a listing applicant or their close associates, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled.

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

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

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

- (a) each Permitted Existing Shareholder to whom our Company may allocate the H Shares under the International Offering holds less than 5% of the voting rights in our Company prior to the completion of the Global Offering;
- (b) each Permitted Existing Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;
- (c) none of the Permitted Existing Shareholders has the power to appoint any Directors, nor have any other special rights in our Company;
- (d) allocation to the Permitted Existing Shareholders and their close associates will not affect our Company's ability to satisfy the public float requirements of Rule 19A.13A(2) of the Listing Rules;



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## WAIVERS AND EXEMPTIONS

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- (e) to the best knowledge and belief of our Company and the Joint Sponsors, and based on discussions between our Company and the Overall Coordinators and confirmations required to be submitted to the Stock Exchange by the Joint Sponsors, we will confirm to the Stock Exchange that:
  - a. in case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Permitted Existing Shareholders and/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, and the Permitted Existing Shareholders' cornerstone investment agreements do not contain any material terms which are more favorable to the Permitted Existing Shareholders and/or their close associates than those in other cornerstone investment agreements; or
  - b. in case of participation as placees, no preferential treatment will be given to the Permitted Existing Shareholders and/or their close associates in the allocation process by virtue of their relationship with our Company;
- (f) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to any of the Permitted Existing Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the International Offering; and
- (g) the Joint Sponsors will confirm to the Stock Exchange that based on (a) their discussions with our Company and the Overall Coordinators; and (b) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators, and to the best of their knowledge and belief, they have no reason to believe that: any of the Permitted Existing Shareholders or their close associates: (i) received any preferential treatment in the allocation process either as cornerstone investors or as placees by virtue of their relationship with our Company, other than, in the case of participation as cornerstone investors, 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; (ii) hold 5% or more of the voting rights in our Company prior to the completion of the Global Offering; (iii) are 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; or (iv) have the power to appoint any Directors or have any other special rights in our Company. The Joint Sponsors will also confirm that allocation to the Permitted Existing Shareholders and their close associates will not affect our Company's ability to satisfy the public float requirements of Rule 19A.13A(2) of the Listing Rules, and details of allocations to the Permitted Existing 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 (for cornerstone investors) and allotment results announcement (for both cornerstone investors and placees) of our Company.

### WAIVER IN RESPECT OF DISCLOSURE OF OFFER PRICE

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

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## WAIVERS AND EXEMPTIONS

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

- (a) the Offer Price will be determined with reference to, among other factors, the closing price of our A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date. Given the nature of our A Shares, we are unable to control the trading price of our A Shares on the Shenzhen Stock Exchange; and
- (b) as a company listed on the Shenzhen Stock Exchange with A Shares publicly traded thereon, setting a price range with a low-end may adversely affect (i) the market price of our A Shares, (ii) our ability to price the Offer Shares given potential price fluctuations of our A Shares during the period from the date of the prospectus until the pricing of the Global Offering; and (iii) ultimately our Company's ability to price in the best interest of our Company and its Shareholders and potential investors.

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

- (a) the maximum Offer Price;
- (b) the time for the determination of the Offer Price and the form of its publication;
- (c) the historical prices of our A Shares and trading volume on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date;
- (d) the determinants of the final Offer Price; and
- (e) the source for investors to access the latest market price of our A Shares.

See “Structure of the Global Offering—Pricing of the Global Offering” in this prospectus for the historical prices of our A Shares and trading volume on the Shenzhen Stock Exchange.

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

Paragraph 1C of Appendix F1 to the Listing Rules (the “**Placing Guidelines**”) states that no allocations will be permitted to “connected clients” of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate members(s)) without prior written consent of the Stock Exchange.

Paragraph 1B(7) of the Placing Guidelines states that “connected clients” in relation to an exchange participant means any client of such member who is a company which is a member of the same group of companies as such exchange participant.

As further described in the section headed “Cornerstone Investors” in this prospectus, each of (1) 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**”); and (2) Value Partners Hong Kong Limited (“**VPHKL**”), and Value Partners Limited (“**VPL**”), has entered into cornerstone investment agreements with our Company, the Joint Sponsors and Overall Coordinators, to participate as cornerstone investors in the Global Offering to subscribe for the Offer Shares to be issued by our Company under the International Offering.

We have applied to the Stock Exchange for a written consent under paragraph 1C(1) of the Placing Guidelines to allow each of GF Fund Management, GF Fund HK, VPHKL and VPL to subscribe for Offer Shares as a cornerstone investor.

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## WAIVERS AND EXEMPTIONS

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GF Securities (Hong Kong) Brokerage Limited (“**GF Securities Brokerage**”), one of the Joint Global Coordinators and Capital Market Intermediaries, is an indirect wholly-owned subsidiary of GF Securities Co., Ltd., a company listed on the Stock Exchange (stock code: 1776) (“**GF Securities**”). GF Securities is the controlling shareholder of GF Fund Management and GF Fund HK is in turn a wholly-owned subsidiary of GF Fund Management. Further, each of VPHKL and VPL is a wholly-owned subsidiary of Value Partners Group Limited, a company listed on the Stock Exchange (stock code: 806) (“**Value Partners Group**”). Since GF Securities is interested in 20.04% of the issued share capital of Value Partners Group, it renders each of VPHKL and VPL an associate of GF Securities Brokerage. Each of GF Fund Management, GF Fund HK, VPHKL and VPL is therefore a member of the same group of companies as GF Securities Brokerage, and considered a “connected client” of GF Securities Brokerage pursuant to paragraph 1B(7) of the Placing Guidelines, holding securities on a discretionary basis on behalf of independent third parties.

The Stock Exchange has granted the requested written consent to permit each of GF Fund Management, GF Fund HK, VPHKL and VPL to participate in the Global Offering as a cornerstone investor on the following basis and conditions, as set out in paragraph 6 of Chapter 4.15 of the Listing Guide:

- (a) any Offer Shares to be allocated to GF Fund Management, GF Fund HK, VPHKL and VPL will be held on behalf of independent third parties;
- (b) the cornerstone investment agreements of GF Fund Management, GF Fund HK, VPHKL and VPL do not contain any material terms which are more favorable to them than those in other cornerstone investment agreements;
- (c) no preferential treatment has been, nor will be, given to GF Fund Management, GF Fund HK, VPHKL and VPL by virtue of their relationship with GF Securities Brokerage, in any allocation of Offer Shares in the International Offering other than the assured entitlement under the cornerstone investment agreements following the principles set out in Chapter 4.15 of the Listing Guide;
- (d) each of GF Fund Management, GF Fund HK, VPHKL and VPL confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with GF Securities Brokerage, other than the assured entitlement under the relevant cornerstone investment agreement;
- (e) each of (i) our Company, (ii) the Overall Coordinators and (iii) GF Securities Brokerage has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Listing Guide; and
- (f) details of the cornerstone investments have been disclosed in this prospectus and details of the allocations will be disclosed in the allotment results announcement.

For further information about the cornerstone investments of GF Fund Management, GF Fund HK, VPHKL and VPL, please refer to the section headed “Cornerstone Investors” in this prospectus.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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### DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our 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 (Cap 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in 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 the filing application for the Listing to the CSRC within three business days after our initial application for listing of the H Shares on the Hong Kong Stock Exchange. The CSRC issued a notice of filing dated June 5, 2026 for the Global Offering and the listing of our H Shares on the Hong Kong Stock Exchange.

### INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 38,347,300 Offer Shares and the International Offering of initially 345,125,500 Offer Shares (subject to, in each case, reallocation on the basis referred to in “Structure of the Global Offering” in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around the Price Determination Date. For further information regarding the Underwriters and the Underwriting Agreements, see “Underwriting” in this prospectus.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, 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, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering.

The Offer Price is expected to be determined 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 around Tuesday, July 7, 2026. If, for any reason, the Offer Price is not agreed among us and the Overall Coordinators (for themselves and on behalf of the Underwriters) at or before 12:00 noon on Tuesday, July 7, 2026, the Global Offering will not proceed and will lapse.

For further information about the Underwriters and the underwriting arrangements, please refer to the section headed “Underwriting” in this prospectus.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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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 or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

### STRUCTURE OF THE GLOBAL OFFERING

For details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Over-allotment Option and stabilization, see “Structure of the Global Offering” and “Underwriting” in this prospectus.

### RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

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

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

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

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Thursday, July 9, 2026. Except for 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 Shares or loan capital 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(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

### H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

### PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in “How to Apply for Hong Kong Offer Shares” in this prospectus.

### H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the Offer Shares will be registered on our H Share register of members to be maintained by our H Share Registrar, Tricor Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

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

Unless determined otherwise by our 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 our Company.

### PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Joint Sponsors, 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, employees, partners, agents, advisors or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to 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.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.8130 to US\$1.00, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.8695 to HK\$1.00, and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.8357 to US\$1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

### 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, the English translations of the names of the PRC entities, enterprises, nationals, facilities and regulations in Chinese included in this prospectus are for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities and regulations and their English translations, the Chinese names shall prevail. In



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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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addition, if there is any inconsistency between the names of any of the entities mentioned in the English version of this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

### **ROUNDING**

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments or rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and figures rounded to the nearest thousand, million or billion may not be identical to figures that have been rounded differently to them. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

### DIRECTORS

| Name                                                          | Address                                                                                                                                        | Nationality |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Executive Directors</b>                                    |                                                                                                                                                |             |
| Ms. Wang Laichun (王來春)                                        | Block T1<br>One Silversea<br>No. 18 Hoi Fai Road<br>Tai Kok Tsui<br>Kowloon<br>Hong Kong                                                       | Chinese     |
| Mr. Wang Laisheng (王來勝)                                       | Building A<br>Shenzhen Swan Lake Garden<br>No. 4261 Qiaoxiang Road<br>Nanshan District, Shenzhen<br>Guangdong Province<br>PRC                  | Chinese     |
| Mr. Qian Jiwen (錢繼文)                                          | No. 184<br>Lane 428, Mingxing Road<br>Xinqiao Town<br>Songjiang District, Shanghai<br>PRC                                                      | Chinese     |
| Mr. Hao Jie (郝杰)                                              | Zone D2<br>No. 88 Courtyard<br>Wanyuan Road<br>Dianshanhu Town<br>Kunshan<br>Jiangsu Province<br>PRC                                           | Chinese     |
| Mr. Chen Weihang (陳蔚航)                                        | Building 2<br>Pingguo Community Phase II<br>Country Garden<br>Huancheng East Road<br>Dongcheng District, Dongguan<br>Guangdong Province<br>PRC | Chinese     |
| <b>Independent non-executive Directors</b>                    |                                                                                                                                                |             |
| Dr. Hou Lingling (侯玲玲)                                        | Building 3, Group 7<br>Xinghai Mingcheng Phase II<br>Nanshan District, Shenzhen<br>Guangdong Province<br>PRC                                   | Chinese     |
| Mr. Liu Zhonghua (劉中華)<br>(with a former Chinese name<br>劉忠華) | F1, Baiyun Shangcheng<br>Huangshi North Road<br>Baiyun District, Guangzhou<br>Guangdong Province<br>PRC                                        | Chinese     |

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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| Name                  | Address                                                                    | Nationality |
|-----------------------|----------------------------------------------------------------------------|-------------|
| Ms. Song Yuhong (宋宇紅) | Chun Wu House, Yuk Po Court<br>Sheung Shui<br>New Territories<br>Hong Kong | Chinese     |

Please refer to the section headed “Directors and Senior Management” in this prospectus for further details of our Directors.

### PARTIES INVOLVED IN THE GLOBAL OFFERING

#### Joint Sponsors

##### **CITIC Securities (Hong Kong) Limited**

18/F, One Pacific Place  
88 Queensway  
Hong Kong

##### **Goldman Sachs (Asia) L.L.C.**

68/F, Cheung Kong Center  
2 Queen’s Road Central  
Hong Kong

##### **China International Capital Corporation**

##### **Hong Kong Securities Limited**

29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

#### Sponsor-Overall Coordinators

##### **CLSA Limited**

18/F, One Pacific Place  
88 Queensway  
Hong Kong

##### **Goldman Sachs (Asia) L.L.C.**

68/F, Cheung Kong Center  
2 Queen’s Road Central  
Hong Kong

##### **China International Capital Corporation**

##### **Hong Kong Securities Limited**

29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

#### Overall Coordinators

##### **CLSA Limited**

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##### **Goldman Sachs (Asia) L.L.C.**

68/F, Cheung Kong Center  
2 Queen’s Road Central  
Hong Kong

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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**Joint Global Coordinators, Joint  
Bookrunners, Joint Lead Managers  
and Capital Market Intermediaries**

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

**CLSA Limited**  
18/F, One Pacific Place  
88 Queensway  
Hong Kong

**Goldman Sachs (Asia) L.L.C.**  
68/F, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

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

**The Hongkong and Shanghai Banking Corporation  
Limited**  
1 Queen's Road Central  
Hong Kong

**GF Securities (Hong Kong) Brokerage Limited**  
27/F, GF Tower  
81 Lockhart Road  
Wan Chai  
Hong Kong

**Guosen Securities (HK) Capital Company Limited**  
Suites 3207-3212 on Level 32  
One Pacific Place  
88 Queensway  
Hong Kong

**Legal advisors to our Company**

*As to Hong Kong and United States laws:*  
**DLA Piper Hong Kong**  
25/F, Three Exchange Square  
8 Connaught Place  
Central  
Hong Kong

*As to PRC laws:*  
**Han Kun Law Offices**  
20/F, Kerry Plaza Tower 3  
1-1 Zhongxinsi Road  
Futian District, Shenzhen  
Guangdong Province  
PRC

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                  | <i>As to Taiwan laws:</i><br><b>Mingforever Law Firm</b><br>6th Floor, No. 77<br>Section 1, Zhonghua Road<br>Zhongzheng District<br>Taipei City, Taiwan<br>PRC                       |
|                                                                  | <i>As to international sanctions and export control laws:</i><br><b>Sheppard, Mullin, Richter &amp; Hampton LLP</b><br>Avenue Louise 480<br>1050 Brussels<br>Belgium                 |
| <b>Legal advisors to the Joint Sponsors and the Underwriters</b> | <i>As to Hong Kong and United States laws:</i><br><b>Herbert Smith Freehills Kramer</b><br>23rd Floor, Gloucester Tower<br>15 Queen's Road Central<br>Hong Kong                      |
|                                                                  | <i>As to PRC laws:</i><br><b>Zhong Lun Law Firm</b><br>57/58/59/F, Tower A<br>Ping An Finance Centre<br>5033 Yitian Road<br>Futian District, Shenzhen<br>Guangdong Province<br>PRC   |
| <b>Reporting Accountants and Auditor</b>                         | <b>BDO Limited</b><br><i>Certified Public Accountants and<br/>Registered Public Interest Entity Auditor</i><br>25th Floor, Wing On Centre<br>111 Connaught Road Central<br>Hong Kong |
| <b>Industry Consultant</b>                                       | <b>Frost &amp; Sullivan (Beijing) Inc.,<br/>Shanghai Branch Co.</b><br>Room 2504<br>Wheelock Square<br>No. 1717 Nanjing West Road<br>Jing'an District, Shanghai<br>PRC               |
| <b>Transfer Pricing Consultant</b>                               | <b>Lixin Certified Tax Agent Co., Ltd.<br/>Beijing Branch</b><br>Room 901, 9th Floor<br>Building 7, Yard 16<br>West Fourth Ring Middle Road<br>Haidian District, Beijing<br>PRC      |
| <b>Receiving Bank</b>                                            | <b>CMB Wing Lung Bank Limited</b><br>45 Des Voeux Road Central<br>Hong Kong                                                                                                          |

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## CORPORATE INFORMATION

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|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Registered office in the PRC</b>             | 2/F, Building A<br>SanYang New Industrial Park<br>Haoyi West Zone<br>Shajing Subdistrict<br>Bao'an District, Shenzhen<br>Guangdong Province<br>PRC                                                                                                                                                          |
| <b>Headquarters in the PRC</b>                  | No. 313, North Ring Road<br>Qingxi Town<br>Dongguan<br>Guangdong Province<br>PRC                                                                                                                                                                                                                            |
| <b>Principal place of business in Hong Kong</b> | Room 1901, 19/F, Lee Garden One<br>33 Hysan Avenue<br>Causeway Bay<br>Hong Kong                                                                                                                                                                                                                             |
| <b>Company's website address</b>                | <b><u><a href="http://www.luxshare-ict.com">www.luxshare-ict.com</a></u></b><br><i>(information on this website does not form part of this prospectus)</i>                                                                                                                                                  |
| <b>Joint Company Secretaries</b>                | <b>Ms. Xiao Yunxi (肖雲兮)</b><br>Unit 3, Building 1<br>Taoyuan Fengjingyuan<br>Xixiang Sub-district<br>Bao'an District, Shenzhen<br>Guangdong Province<br>PRC<br><br><b>Ms. Leung Wai Yan (梁慧欣)</b><br><i>(ACG, HKACG)</i><br>Room 1901, 19/F, Lee Garden One<br>33 Hysan Avenue<br>Causeway Bay<br>Hong Kong |
| <b>Authorized Representatives</b>               | <b>Ms. Wang Laichun (王來春)</b><br>Block T1<br>One Silversea<br>No. 18 Hoi Fai Road<br>Tai Kok Tsui<br>Kowloon<br>Hong Kong<br><br><b>Ms. Leung Wai Yan (梁慧欣)</b><br><i>(ACG, HKACG)</i><br>Room 1901, 19/F, Lee Garden One<br>33 Hysan Avenue<br>Causeway Bay<br>Hong Kong                                   |
| <b>Audit Committee</b>                          | Mr. Liu Zhonghua ( <i>Chairman</i> )<br>Dr. Hou Lingling<br>Ms. Song Yuhong                                                                                                                                                                                                                                 |



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## CORPORATE INFORMATION

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|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Remuneration and Appraisal Committee</b> | Ms. Song Yuhong ( <i>Chairlady</i> )<br>Mr. Liu Zhonghua<br>Dr. Hou Lingling                                                                                |
| <b>Nomination Committee</b>                 | Dr. Hou Lingling ( <i>Chairlady</i> )<br>Ms. Wang Laichun<br>Mr. Liu Zhonghua                                                                               |
| <b>Strategy Committee</b>                   | Dr. Hou Lingling ( <i>Chairlady</i> )<br>Ms. Wang Laichun<br>Mr. Liu Zhonghua                                                                               |
| <b>Compliance Advisor</b>                   | <b>Frontpage Capital Limited</b><br>26th Floor, Siu On Centre<br>188 Lockhart Road<br>Wan Chai<br>Hong Kong                                                 |
| <b>H Share Registrar</b>                    | <b>Tricor Investor Services Limited</b><br>17/F, Far East Finance Centre<br>16 Harcourt Road<br>Hong Kong                                                   |
| <b>Principal bank</b>                       | <b>China Merchants Bank Xin'an Sub-branch</b><br>Ground Floor<br>Jinye Mingyuan<br>Fanshen Avenue<br>Bao'an District, Shenzhen<br>Guangdong Province<br>PRC |

## INDUSTRY OVERVIEW

*The information presented in this section, unless otherwise indicated, is derived from various official government publications and other publications and from the market research report prepared by Frost & Sullivan, which was commissioned by our Company. Our Company believes that the information has been derived from appropriate sources and has taken reasonable care in extracting and reproducing the information. Our Company has no reason to believe that the information is false or misleading in any material respect or that any fact has been omitted that would render the information false or misleading in any material respect. The information from official government sources has not been independently verified by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, or any of their directors, officers or representatives or any other party involved in this Global Offering nor is any representation given as to its accuracy or completeness.*

### OVERVIEW OF GLOBAL PRECISION INTELLIGENT MANUFACTURING SOLUTION INDUSTRY

#### Definition and Classification of the Precision Intelligent Manufacturing Solution (“PIMS”)

PIMS refer to client-centric, technology-driven manufacturing services that integrate advanced processing technologies, rapid prototyping, automation control, and intelligent systems to deliver high-precision components, functional modules, and system integration. These solutions extend beyond standardized production—they are deeply customized and designed to transform ambitious product concepts into mass-producible and technically demanding outcomes. The products are widely applied in high-tech and innovation-driven fields such as advanced consumer electronics, intelligent vehicles, and communication and data center.

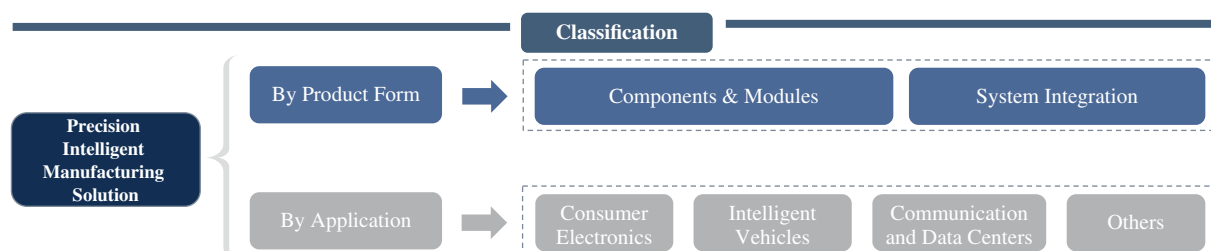


Fig 1. The Classification of PIMS

Source: Frost & Sullivan

#### Market Size of Global Precision Intelligent Manufacturing Solution

The market of global PIMS industry involves components, modules and system integration, whereby the components and modules segment are of greater strategic importance due to its higher technological complexity.

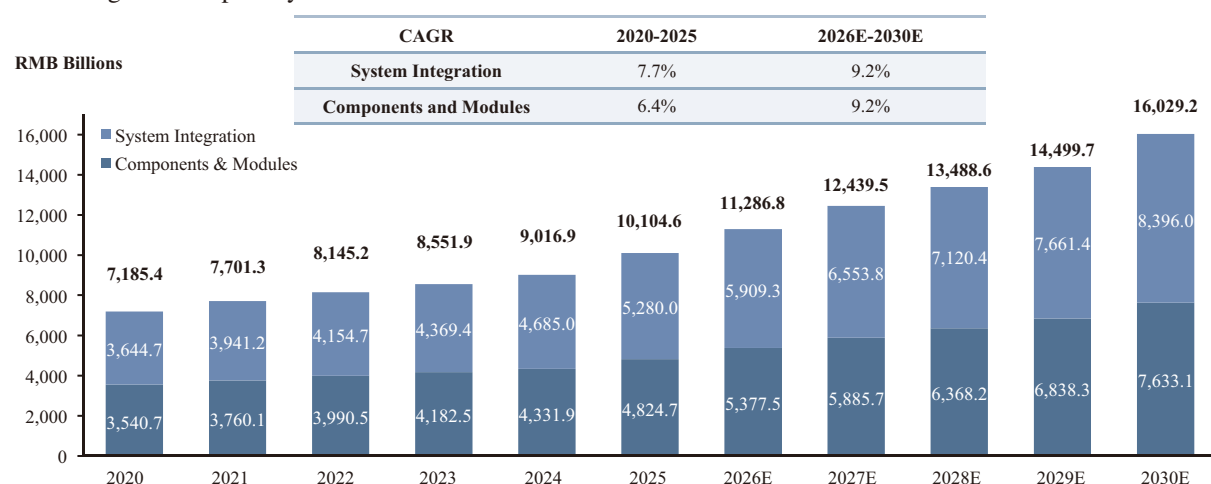


Fig 2. The Market Size of Global PIMS (By Revenue)

Source: Frost & Sullivan; Interviews with Industry Experts

## INDUSTRY OVERVIEW

### Competitive Landscape of Global Precision Intelligent Manufacturing Solution Market

According to global market share by revenue in 2025, Our Group is the 5th-ranked PIMS provider globally and the highest-ranked PIMS provider headquartered in Chinese Mainland. In the global PIMS market, the top five players in 2025 were Company A, Company B, Company D, Company HH, and our Group, holding market shares of 18.5%, 5.2%, 5.0%, 4.8%, and 3.3%, respectively. The comparable companies are the leading players within the global PIMS industry, which share generally comparable business structures for benchmarking. Our Group ranks the top tier in key metrics such as capability of Application Scenarios, Innovation Input, Top Clients Coverage, Historical Growth and Profitability—demonstrating strong precision intelligent manufacturing capabilities across consumer electronics sectors, automotive, communication and data center, revealing a wide-ranging application scenario.

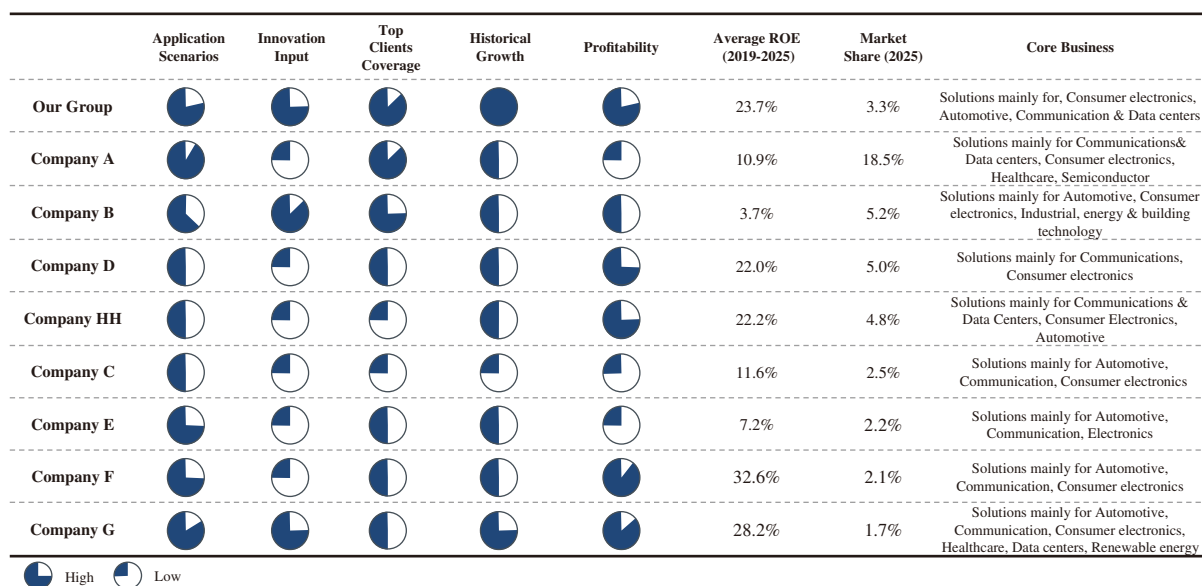


Fig 3. Competitive Analysis of Global PIMS Industry

(\*Notes: Company A was founded in 1974, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, primarily engaged in the manufacturing of electronics.

Company B was founded in 1886, headquartered in Germany, mainly focusing on research, development and manufacturing in automation, electrification, digitalization, connectivity.

Company C was established in 2008, headquartered in Taiwan, China, and has been listed on the Taiwan Stock Exchange since 2010, mainly engaging in the development and manufacturing of consumer electronics, automotive, communication.

Company D was founded in 2001, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, providing ICT products, service solutions, and systems to top-branded companies worldwide.

Company E was founded in 1897, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in the development and manufacturing of electronics, automotive, communication, environment & energy, and industrial materials.

Company F was founded in 1966, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions of consumer electronics, automotive, and communication.

Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

Company HH was founded in 1988, headquartered in Taiwan, China, and has been listed on the Taiwan Stock Exchange, mainly engaging in the manufacturing of consumer electronics and communication.

The application scenarios metric in this ranking is ranked by the range of scenarios in which the companies product can be applied; innovation input metric is ranked by the companies R&D expenditure as a percentage of revenue; top clients coverage metric is ranked by the client coverage rate among Fortune Global 500; historical growth metric is ranked by the companies 10-year revenue CAGR; profitability metric is ranked by the companies 6-year average ROE, the issuer's ROE data is sourced from its periodic reports filed in the A-share market.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

## INDUSTRY OVERVIEW

### OVERVIEW OF GLOBAL CONSUMER ELECTRONICS PRECISION INTELLIGENT MANUFACTURING SOLUTION INDUSTRY

#### Overview of the Development of Global Consumer Electronics Market

**Consumer electronics** refer to intelligent electronic products used in consumers' daily lives. These products are typically small in size, lightweight, easy to operate, and feature connectivity and portability. They include smartphones, tablets, laptops, smart wearables (like AI glasses/XR devices, smart watches and smart bracelets), intelligent acoustic terminals (like TWS earphones), smart home devices (like smart speakers and floor cleaning robots), outdoor electronics (action cameras, consumer-grade drones).

Driven by the strong demand for AI technology, the overall shipment volume of smart wearables (including AI glasses/XR devices, smart watches and smart bracelets) saw a significant year-on-year increase, exceeding 186.9 million units in 2025. Benefiting from the deep integration of technologies such as AI and the IoT with emerging consumer electronic products, intelligent acoustic terminals, smart home devices, outdoor electronics have demonstrated huge development potential with advantages such as functional expansion, upgraded interaction experience, interconnection and interoperability, and enhanced intelligent functions. In 2025, their shipment volumes reached 356.4 million, 927.0 million and 66.2 million units respectively. It is anticipated that the integration of innovative consumer electronics product designs and AI applications will drive further iterations of these products.

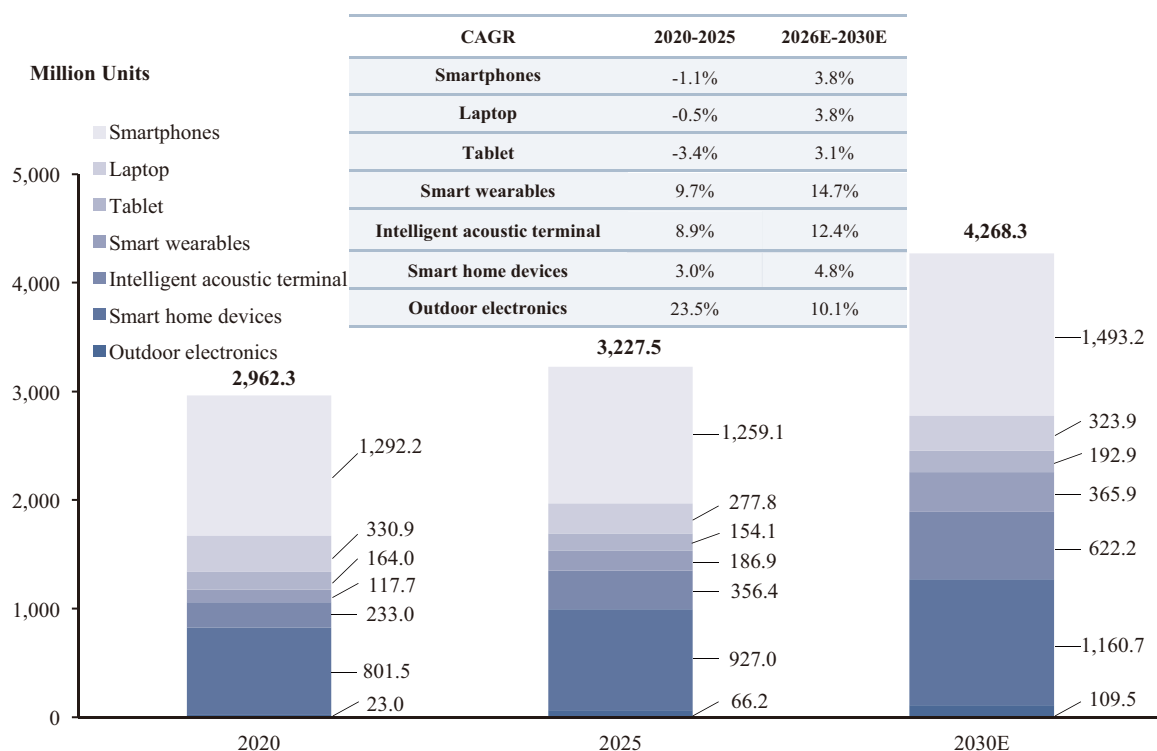


Fig 4. The Shipment Volume of Global Major Consumer Electronics, 2020, 2025 & 2030E

Source: Frost & Sullivan; Interviews with Industry Experts

#### Definition and Market Size of Global Consumer Electronics Precision Intelligent Manufacturing Solution

**The Consumer Electronics PIMS** refers to providing solution for the design and manufacturing of consumer electronic products, from components, modules to system integration, by integrating high-precision manufacturing, automatic control, intelligence and digitalization and other related technologies. It usually involves miniaturization, lightweight, and multi-material composite processing. The core lies in achieving the ultimate control of product dimensional accuracy (micrometer level) and performance stability through “precision manufacturing”, and enhancing production efficiency, optimizing costs and responding flexibly to the market demands of the consumer electronics industry

## INDUSTRY OVERVIEW

for high precision, flawless aesthetics, thinness, multi-functionality and rapid iteration through “intelligent manufacturing”. The market for consumer electronics PIMS can be classified from the perspective of product form: components (including structural components, functional components, electronic components) and modules, system integration (mainly refers to the assembly of complete consumer electronic products).

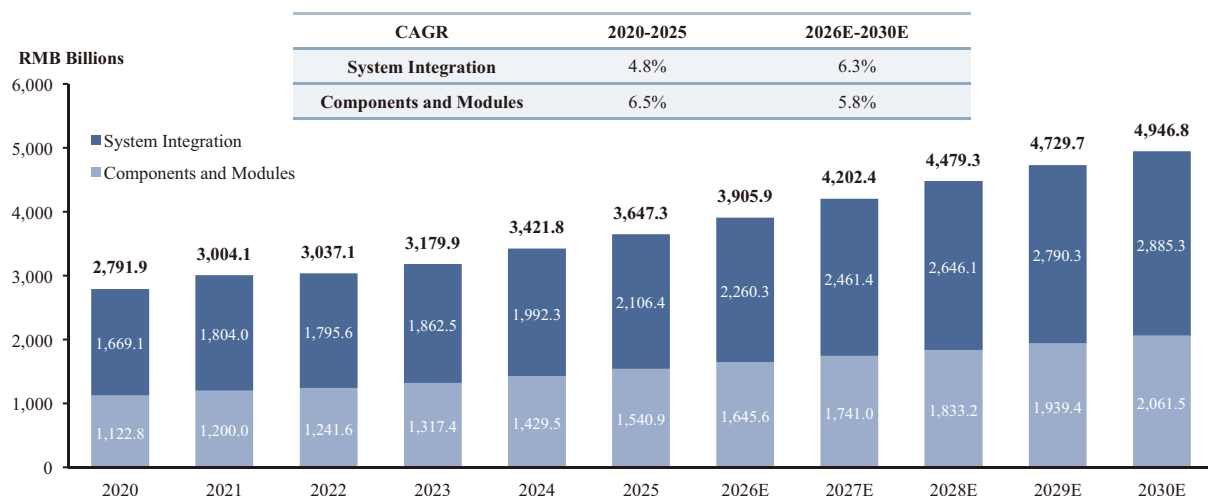


Fig 5. The Market Size of Global Consumer Electronics PIMS (By Revenue)

Source: Frost & Sullivan; Interviews with Industry Experts

### Industrial Chain of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

Precision manufacturing and processing belong to the midstream of the industrial chain. Through relevant production equipment, various raw materials are processed through different techniques to obtain components with specific functions, as well as system integration.

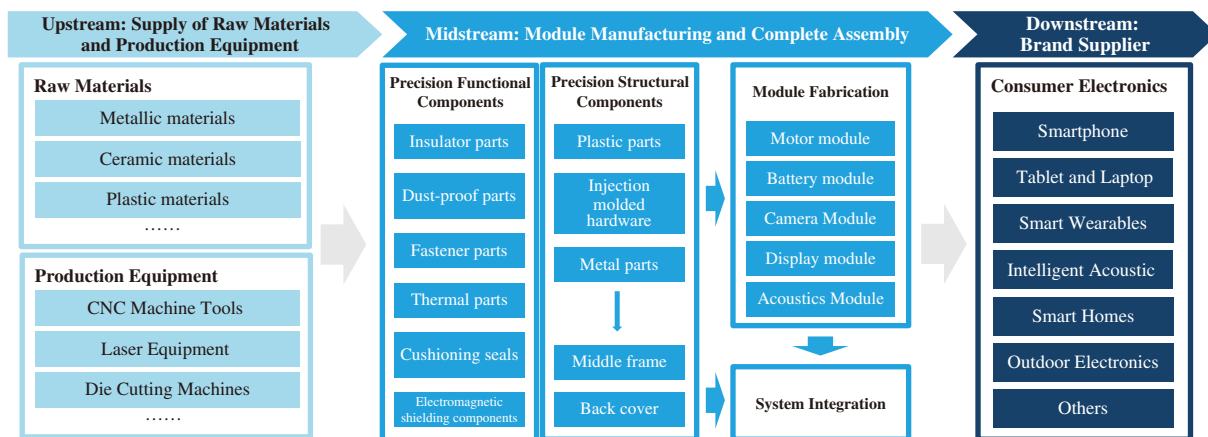


Fig 6. Industrial Chain of Consumer Electronics Precision Intelligent Manufacturing Solution Market

Source: Frost & Sullivan

### Key Drivers of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

The driving factors promoting the development of the global consumer electronics PIMS market include continuous technological progress, the growth of market demand, environmental protection, sustainable development, and policy support from governments of various countries.

**Continuous Technological Progress:** Consumer electronic terminal products are continuously evolving toward miniaturization, lightweighting, multifunctional integration and the adoption of new materials, resulting in increasingly compact and complex internal structures and significantly higher

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## INDUSTRY OVERVIEW

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requirements for processing precision, assembly consistency and product reliability. As a result, market demand for precision intelligent manufacturing solutions (“PIMS”), including high-precision CNC machining, micro-forming, automated precision assembly, AI-based visual inspection and reliability testing, continues to grow. Meanwhile, the accelerated adoption of artificial intelligence, digital twin, Industrial Internet of Things (IIoT) and flexible automation technologies has significantly improved manufacturing efficiency, product yield and large-scale delivery capabilities, while reducing unit production costs and labor dependency, thereby driving the penetration of PIMS into a broader range of consumer electronic products. In addition, the convergence of precision manufacturing with multidisciplinary technologies such as optics, acoustics, sensing, communication and artificial intelligence is fostering emerging applications including MR/AR devices, edge AI terminals, smart wearables and smart home devices, which are generating substantial new demand for precision structural components, multifunctional integrated modules and miniaturized high-performance components.

***The Growth of Market Demand:*** The demand for consumer electronics continues to grow. With the popularity and upgrade of consumer electronic products like smartphones, consumers’ demands for performance, functions and appearance are increasing. The advent of 5G mobile phones has further intensified the need for precision components and complex structural designs, while emerging markets are generating new OEM demands for localized models, which has increased the demand for PIMS. Products such as AI robots and XR devices, characterized by their compact size, high performance, and sophisticated designs, have a higher reliance on PIMS. As the market consumption upgrades, the demand for high-end and intelligent products is increasing, further driving enterprises to adopt advanced PIMS.

***Policy Support from Governments of Various Countries:*** The government actively encourages enterprises to increase investment and innovation in the field of intelligent manufacturing by introducing various policies. For instance, China’s *Implementation Plan for Digital Transformation of the Electronic Information Manufacturing Industry* (《電子信息製造業數字化轉型實施方案》) clearly promotes the application of advanced computing and AI large models in smart terminals (such as wearable devices and VR/AR); The US-Mexico-Canada Agreement promotes trade liberalization and supply chain integration. The governments of Australia, Japan and India have launched the Supply Chain Resilience Initiative (SCRI) to enhance the resilience of supply chains in key manufacturing industries, including consumer electronics. Many countries in the European Union, Southeast Asia and other regions have also issued policies to promote the precision and intelligent manufacturing of consumer electronics.

### **Future Trends of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market**

From the current development status of precision intelligent manufacturing in global consumer electronics, the possible future development trends include:

***Ultra-precision Machining Technology:*** The consumer electronics industry is developing towards miniaturization, integration and diversified materials. Traditional processes are difficult to meet the new demands, and ultra-precision processing technology has emerged as the times require. This technology breaks through the limitations of traditional processing through multi-physics field coupling control, enabling high-precision processing and efficient handling of difficult-to-machine materials. It also optimizes the processing process with the help of digital twins and AI algorithms. In the future, ultra-precision processing technology will be deeply integrated with AI, industrial Internet and green manufacturing, becoming an important engine driving the development of the industry.

***Flexible Manufacturing:*** Consumer electronic products are evolving at an extremely fast pace (such as foldable phones) and their demands are highly fragmented (with both mass production and customization coexisting). Traditional production lines have slow switching and high costs. Flexible manufacturing has completely resolved this contradiction through “modularization + intelligent scheduling.” This solution reduces costs and improves quality, and the marginal costs of customized individual items and mass production approach zero. In the future, real-time monitoring of devices with AI and the IoT will be able to predict faults in advance, improving quality and efficiency.

***Supplier M&A and Integration:*** The supply chain has gradually become dominated by a few oligarchic alliances, with small and medium-sized factories being squeezed into “parts suppliers.” leading to mergers and acquisitions among suppliers. After the merger and acquisition integration, the assembly links can be reduced through technical integration, thereby reducing costs and increasing efficiency. Suppliers have transformed from contract manufacturers to functional innovation partners, achieving continuous innovation and significantly shortening the new product development cycle.



## INDUSTRY OVERVIEW

**Distributed Manufacturing Network:** Geopolitical risks (such as the trade frictions and imposition of additional tariffs between countries have impacted the procurement and production costs of supply chains) and technological maturity (enabling intelligent global production line scheduling through cloud algorithms) have promoted the development trend of distributed manufacturing networks. This enables a rapid response to the market by setting up micro-factories in high-demand consumer electronics regions such as Southeast Asia. Through 3D printing and modular equipment, local on-demand production is achieved, significantly enhancing the response speed and reducing logistics costs, sharing production capacity to lower costs.

### Competitive Landscape of Global Consumer Electronics Components and Modules Precision Intelligent Manufacturing Solution Market

There are many major players in the global consumer electronics components and modules precision intelligent manufacturing solution market, with the top ten manufacturers occupying 53.1% of the market share in 2025. In terms of revenue scale in 2025, the top five players in the market were Company A, our Group, Company D, Company C and Company H, with market shares of 16.8%, 11.2%, 5.4%, 4.4%, and 2.9% respectively. Based on the average ROE over the past seven years, our Group has taken the top position.

Among enterprises headquartered in Chinese Mainland, Our Group ranks first in both consumer electronics precision intelligent manufacturing solution market and consumer electronics components and modules precision intelligent manufacturing solution market in 2025 and in terms of revenue.

| Rank         | Company          | Average ROE (2019-2025) | Market Share (By Revenue) |
|--------------|------------------|-------------------------|---------------------------|
| 1            | Company A        | 10.9%                   | 16.8%                     |
| 2            | <b>Our Group</b> | <b>23.7%</b>            | <b>11.2%</b>              |
| 3            | Company D        | 22.0%                   | 5.4%                      |
| 4            | Company C        | 11.6%                   | 4.4%                      |
| 5            | Company H        | 8.7%                    | 2.9%                      |
| 6            | Company JJ       | 21.4%                   | 2.9%                      |
| 7            | Company I        | 13.4%                   | 2.5%                      |
| 8            | Company J        | 10.2%                   | 2.4%                      |
| 9            | Company L        | 13.9%                   | 2.4%                      |
| 10           | Company K        | 12.0%                   | 2.2%                      |
| Others       |                  |                         | 46.9%                     |
| <b>Total</b> |                  |                         | <b>100.0%</b>             |

Fig 7. Top 10 Consumer Electronics Components and Modules PIMS Market Participants by Revenue in 2025 (Global)

(\*Notes: Company H was founded in 2006, headquartered in Chinese Mainland, and is listed on Shenzhen Stock Exchange and the Hong Kong Stock Exchange, primarily engaged in the manufacturing of precision structural components and modules for consumer electronics.

Company I was established in 2007, headquartered in Chinese Mainland, and has been listed on the Hong Kong Stock Exchange in the same year, mainly engaging in the development and manufacturing of consumer electronics, automotive.

Company J was founded in 2001, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, providing precision components, intelligent acoustic products.

Company K was founded in 2006, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, primarily engaged in the manufacturing of precision functional and structural parts for consumer electronics.

Company L was founded in 1999, headquartered in Chinese Mainland, and is listed on the Shenzhen Exchange, providing electronic equipment manufacturing and services.

Company JJ was founded in 2005, headquarters is located in Chinese Mainland, and is listed on the Shanghai Stock Exchange in 2023, specializing in the research and development, design, and production of products in the fields of consumer electronics, automotive electronics, and data center products.)

Source: Frost & Sullivan; OICA; Annual reports/financial statements of each company

## INDUSTRY OVERVIEW

### OVERVIEW OF GLOBAL INTELLIGENT VEHICLES PRECISION INTELLIGENT MANUFACTURING SOLUTION

#### Overview of the Development of Global Intelligent Vehicles Market

Intelligent vehicles refer to next-generation vehicles equipped with advanced sensors, controllers, actuators, and other devices, which integrate new technologies such as information and communications, IoT, big data, cloud computing, and AI to achieve intelligent information exchange and sharing between in-vehicle networks, external networks, and inter-vehicle networks. These vehicles are capable of complex environment perception, intelligent decision-making, and automated collaborative control. With the accelerated trend of automotive electrification and intelligence, especially driven by policy support and technological progress, the intelligent automotive industry has developed rapidly. In the future, the “dual intelligent transformation of ICE (Internal Combustion Engine) vehicles and new energy vehicles” will become an important trend in the industry. For instance, the penetration rates and the value per vehicle of automotive high-voltage and high-speed wiring harnesses, intelligent cockpit system integration, and intelligent assisted driving system integration will increase rapidly.

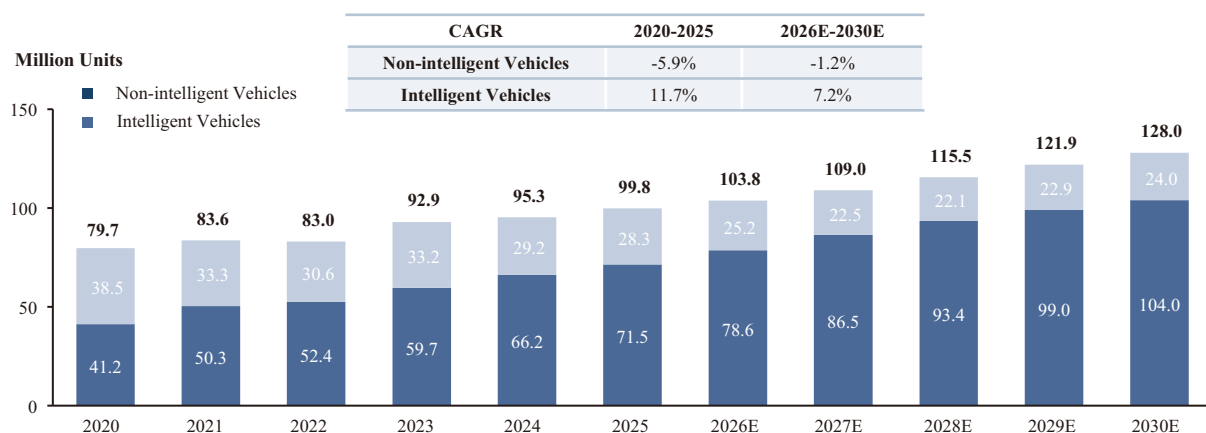


Fig 8. Global Vehicles Sales Volume (2020–2030E)

Source: Frost & Sullivan; OICA

#### Definition and Market Size of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution

**The Intelligent Vehicle PIMS** refers to the application of advanced precision manufacturing processes and related intelligent technologies to supply key components and systems for automakers, meeting the intelligent and electric demands of high-end intelligent vehicles such as new energy vehicles and autonomous driving, as well as traditional vehicles (such as B-pillars with integrated cameras), and promoting the intelligent, electric and connected development of the automotive industry.

Specifically, the market size of intelligent vehicles precision intelligent manufacturing components and modules reached RMB1,930.7 billion in 2025. Under the trend of electrification and intelligence of automobiles, sub-markets for system integration such as intelligent cockpits and intelligent assisted driving are also developing rapidly. In 2025, the market size of intelligent vehicles system integration precision intelligent manufacturing reached RMB1,060.4 billion.

## INDUSTRY OVERVIEW

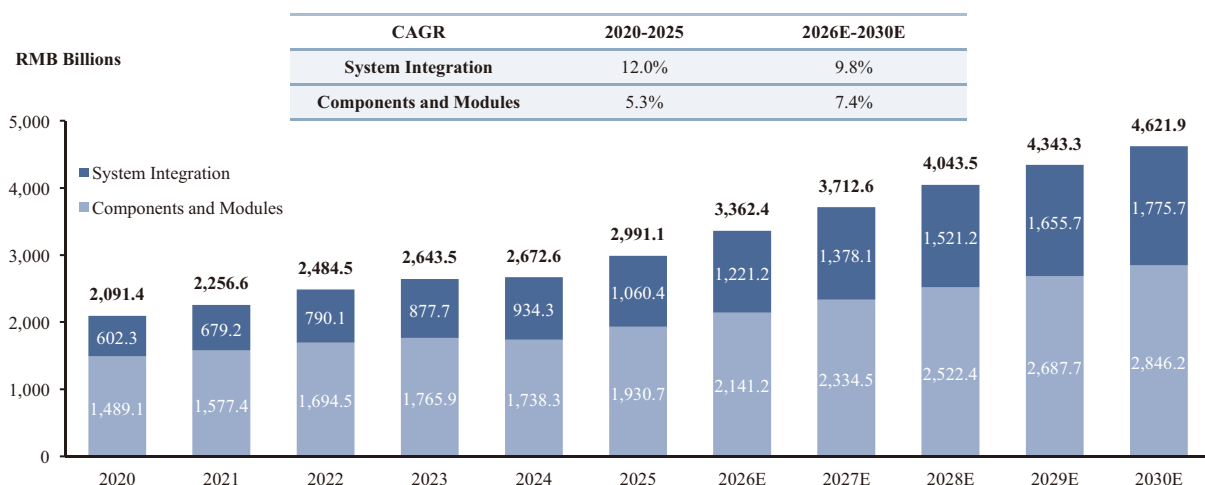


Fig 9. The Market Size of Global Intelligent Vehicles PIMS (By Revenue)

Source: Frost & Sullivan

### Key Drivers of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution Market

- Demand:** Electrification is reshaping the automotive energy architecture, giving rise to a large number of incremental demands for precision manufacturing: High-voltage systems (400V/800V platforms) have driven the value of high-voltage wiring harnesses per vehicle to increase several times from fuel vehicles to electric vehicles, and the 800V platform has further increased its value due to material upgrades (150°C resistant insulation layer, three-layer shielding). The integrated design requirements of the motor controller and the reducer demand that the gear processing accuracy reach ISO grade 6. The growth in data transmission volume in the intelligent driving environment drives the demand for high-frequency and high-speed wiring harnesses, directly promoting the upgrade of precision manufacturing towards micron-level accuracy and high reliability.
- Technology Generalization:** Leading global electric automotive enterprises extended their strategy of open standards with the North American Charging Standard (NACS) by introducing a new benchmark, the Low-Voltage Connector Standard (LVCS). It consolidates over 200 low-voltage connectors of traditional automotive into six standardized types, addressing over 90% of electrical requirements. The scale effects from generalization, coupled with the 48V low-voltage advantages, enable automakers to reduce overall vehicle energy consumption, and complexity in design, production, and maintenance. This initiative is poised to attract broader industry participation from automakers and suppliers in building a universal cooperative ecosystem, thereby accelerating maturation and innovation across the automotive electronics sector.

### Future Trends of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution Market

- Electrification of automobiles:** The trend of automotive electrification has driven the electrification of body components and generated higher demands for high-voltage wiring harnesses and high-voltage connectors, such as the insulation stability and micron-level precision control of high-voltage wiring harnesses at high temperatures, and the high reliability of high-voltage connectors, promoting the progress of automotive precision intelligent manufacturing technology and demands.
- Intelligence of automobiles:** Under the trend of automobiles moving towards intelligence, the application of AI large models is reconfiguring the decision-making logic of the entire vehicle, promoting “software-defined vehicles” to become the core direction. This not only places higher demands on real-time performance and accuracy for in-vehicle buses, in-car data interaction, and automotive communication, such as the need for high-speed data aggregation and decision-making in autonomous driving domain controllers, and the requirement for parallel interaction and low-latency response of multimodal data (vision, voice, touch, sensors) in intelligent cockpits. It has also driven the demand for more high-performance data interconnection components,

## INDUSTRY OVERVIEW

communication modules and intelligent parts, thereby greatly promoting the technological upgrading and industrial development of precision intelligent manufacturing solutions in the global intelligent vehicle field.

- Modularization and customization:** The development of the automotive industry is accelerating, and modularization and customization will become important trends in the precision intelligent manufacturing of automobiles. Modularization achieves efficiency improvement and functional expansion, and promotes vertical integration of the modular supply chain through atomic hardware splitting, standardized interfaces and software definition. Customization relies on the C2M (Customer to Manufacturer) model, flexible production and additive manufacturing to meet personalized demands. The two form elastic synergy in the supply chain. The focus of competition lies in the scalability of modular platforms, the granularity of customized services, and data-driven capabilities. Enterprises need to build advantages through hardware pre-embedding, software definition, and ecological synergy.

### Competitive Landscape of Global Automotive Wiring Harness Precision Intelligent Manufacturing Solution Market

Intelligent Vehicles PIMS specifically includes electronic and electrical products such as vehicle connectors, automotive wiring harnesses, intelligent cockpits, intelligent chassis, and intelligent assisted driving. Among them, the automotive wiring harness, as the “connection hub” that realizes the power transmission and signal interaction of all the electronic and electrical components of the vehicle, plays an irreplaceable and important role in all automotive parts and accounts for a considerable proportion of the intelligent vehicles components and modules PIMS market. The increase in the penetration rate of high-voltage and autonomous driving has driven the growth in demand for high-voltage and high-speed wiring harnesses, significantly increasing the value per vehicle of automotive wiring harnesses. As automobiles upgrade towards “electrification, intelligence and networking,” the role of wiring harnesses has shifted from “basic transmission” to “high-performance support,” and their technical requirements directly affect the speed of vehicle upgrades. The market size of automotive wiring harness PIMS increased from RMB281.7 billion in 2020 to RMB403.2 billion in 2025, representing a CAGR of 7.4%. The market size of automotive wiring harness precision intelligent manufacturing solutions is expected to increase to RMB537.5 billion by 2030, representing a CAGR of 6.4% from 2026 to 2030.

In terms of revenue in 2025, the top five players in the market were Company T, Company E, Company U, our Group, Company V with market shares of 26.3%, 25.8%, 13.3%, 7.6%, 7.5% respectively. Our Group ranked 4th globally with the market share of 7.6%. Among enterprises headquartered in Chinese Mainland, our Group ranked first in automotive wiring harness precision intelligent manufacturing solution market.

| Rank         | Company          | Average ROE (2019-2025) | Market Share (By Revenue) |
|--------------|------------------|-------------------------|---------------------------|
| 1            | Company T        | -                       | 26.3%                     |
| 2            | Company E        | 7.2%                    | 25.8%                     |
| 3            | Company U        | 17.4%                   | 13.3%                     |
| 4            | <b>Our Group</b> | <b>23.7%</b>            | <b>7.6%</b>               |
| 5            | Company V        | 12.3%                   | 7.5%                      |
| 6            | Company W        | 11.5%                   | 6.4%                      |
| 7            | Company Y        | -                       | 3.2%                      |
| 8            | Company X        | 7.4%                    | 2.8%                      |
| 9            | Company AA       | 13.0%                   | 2.0%                      |
| 10           | Company Z        | 8.5%                    | 1.9%                      |
| Others       |                  |                         | 3.2%                      |
| <b>Total</b> |                  |                         | <b>100.0%</b>             |

Fig 10. Top 10 Automotive Wiring Harness PIMS Market Participants by Revenue in 2025 (Global)

(\*Notes: The market share of our Group as shown in the above table has taken into account the relevant income from the Leoni Business. The ROE of our Group does not consider Leoni Business.

Company T was established in 1941, headquartered in Japan, mainly engaging in the manufacturing of automotive wiring harnesses and related components.

Company U was established in 1999, headquartered in UK, and has been listed on the New York Stock Exchange, providing automotive electronic and electrical architecture, intelligent driving and safety technology solutions.

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## INDUSTRY OVERVIEW

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*Company V was established in 1976, headquartered in India, mainly providing automotive components and integrated component manufacturing services.*

*Company W was established in 1917, headquartered in the U.S., and has been listed on the New York Stock Exchange, mainly engaging in the manufacturing of automotive seats and electronic and electrical systems.*

*Company X was established in 1884, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in automotive wires, communication cables, and electronic materials.*

*Company Y was established in 2006, headquartered in Chinese Mainland, mainly engaging in the development and manufacturing of automotive wiring harnesses and automotive connectors, etc.*

*Company Z was established in 1910, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in electronic component businesses such as wires and cables, connectors, optical fibers/cables, etc.*

*Company AA was established in 1997, headquartered in Chinese Mainland, and has been listed on the Shanghai Stock Exchange, mainly engaging in the development and manufacturing of automotive wiring harnesses.)*

*Source: Frost & Sullivan; Annual reports/financial statements of each company*

### OVERVIEW OF GLOBAL COMMUNICATION AND DATA CENTERS PRECISION INTELLIGENT MANUFACTURING SOLUTION

#### Overview of Global Communication and Data Centers Market

The rise in global data volume is fueled by rapid digital transformation, the proliferation of IoT devices, widespread adoption of AI-driven applications, and the explosive growth of user-generated content. This data surge is driving unprecedented demand for scalable, high-efficiency data centers and advanced communication infrastructure. As a result, the communication and data centers PIMS industry stands at the forefront of this expansion, holding position for sustained, high-growth opportunities in the global digital economy. The global data volume rose from 60.0 ZB in 2020 to 214.05 ZB in 2025, with a CAGR of 29.0% from 2020 to 2025, and is expected to rise further to 626.6 ZB by 2030, with a CAGR of 23.0% from 2026 to 2030.

Surged by the rapid development of AI technology and the escalating demand for advanced computing to handle massive data workload of AI models, the end-use market of global communication and data centers PIMS industry—AI servers—keeps a rising trend during 2020–2030. The exponential growth of AI servers reflects broader investment trends in digital infrastructure and highlights the increasing reliance on high-performance data centers, whereby this prosperity of key downstream markets reflects the substantial growth potential within the global communication and data centers precision intelligent manufacturing solution industry. The shipment of AI servers worldwide rose from 275.0 thousand in 2020 to 2,101.7 thousands in 2025, with a CAGR of 50.2% from 2020 to 2025, and is expected to rise further to 5,422.0 thousand by 2030, with a CAGR of 19.1% from 2026 to 2030.

#### Definition and Market Size of Global Communication and Data Centers Precision Intelligent Manufacturing Solution

The Communication and Data Centers PIMS is designed for the high-precision and high-reliability production needs of infrastructure such as communication and data centers. By deeply integrating new-generation information technologies with advanced manufacturing technologies, the solution enables high-precision processing, end-to-end automation, and intelligent management. This achieves efficient, reliable, and customized production of precision components for communication equipment and key data center infrastructure. Key features include micron/nanometer-level processing precision for communication and data center components, as well as a core component production environment featuring auto-perception, auto-decision-making, auto-execution, and auto-adaptation.

## INDUSTRY OVERVIEW

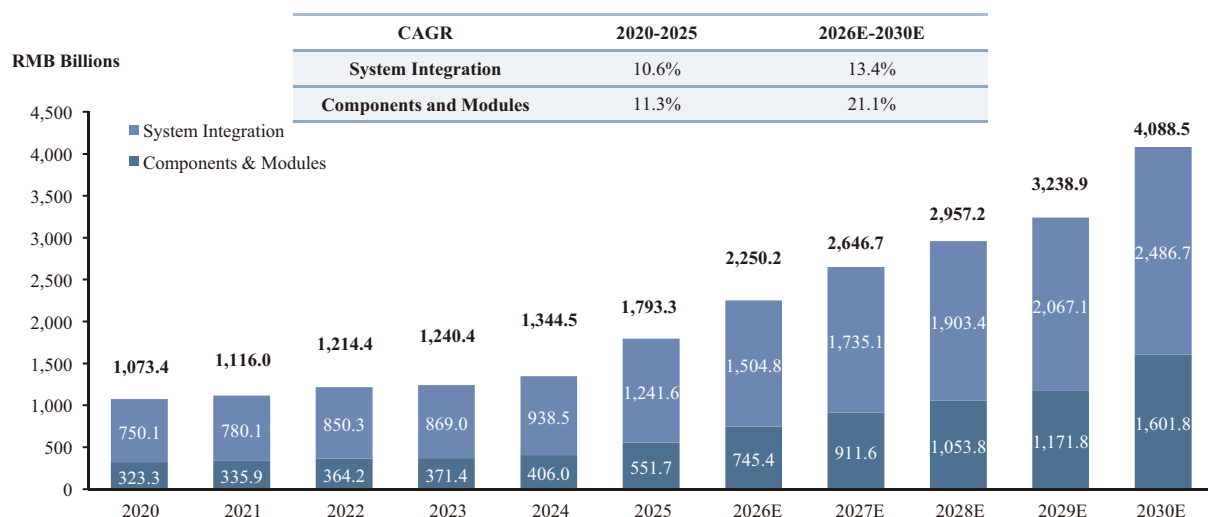


Fig 11. The Market Size of Global Communication and Data Centers PIMS Market (By Revenue)

Source: Frost & Sullivan

### Key Drivers of Global Communication and Data Centers Precision Intelligent Manufacturing Solution Market

**5G/IoT/AI Technology Evolution Raises Demand for Transmission Efficiency Upgrades:** With the sustained growth in demand for AI computing power, cloud computing, and big data, new requirements are continuously imposed on the computing capacity and transmission speed of data centers. The construction of 5G networks continues to advance. By 2025, the global number of 5G base stations has steadily increased, driving up demand for communication equipment. As the AI server market potential continues to rise, data centers are placing higher demands on computing power and transmission capabilities, trending toward high-performance computing, low latency, and modular construction. With the combined promoting action of sharp growth in global data storage and transmission, increasing construction of 5G base stations, and the rising significance of AI market, high-speed connectors are becoming vital in the electronics industry, whereas copper connectors—as a cost-efficient, low PUE (Power Usage Effectiveness), and intensively transmitting connector of all types—dominate the applications in these scenarios.

**Technological Advancements Drive The Surge of Intelligent Manufacturing for Communication and Data Centers:** The global digitalization drive has led to explosive data growth, while advancements in autonomous driving and AI demand massive computing and communication resources. This growing demand for advanced communication and data storage is driving the expansion of global communication infrastructure and data centers, and increasing the need for precision intelligent manufacturing solutions, since precision in manufacturing is critical to ensuring reliability, efficiency, and scalability of communication and data systems. Innovations in automation, AI, and IoT enhance manufacturing precision, enabling the production of high-performance components critical for communication and data systems' reliability and scalability. As a result, industry advancement and the demand for accurate, high-quality components fuel the growth of precision intelligent manufacturing in communication and data centers.

### Future Trends of Global Communication and Data Centers Precision Intelligent Manufacturing Solution Market

#### Technological Iteration in Precision Manufacturing Driven by Computing Power Upgrades

- **Explosive Demand for High-Speed Connectors:** The growing demand for high-speed connectors highlights the impact of increased computing power on precision manufacturing. As technologies advance, such as, 5G, AI, and IoT, faster, more reliable connectivity is crucial. Improved computing enables faster iterations of components, fueling ongoing innovation and driving advancements across industries.
- **Popularization of Liquid Cooling Technology:** The rising power consumption of AI processors forces innovations in heat dissipation. Liquid cooling solutions have become mainstream, and traditional air-cooled IDC (Internet Data Center) cabinets face the need for renovation.



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- **Upgrading of Electrical Module Technology:** Latest upgrades in electrical module technology mainly include power efficiency, enhanced signal integrity, and miniaturization. These innovations enable faster data transmission, lower energy consumption, and improved scalability, driving more efficient and reliable communication and data center operations.

### *Deep Integration of Intelligence and Digital Technologies*

- **Edge Computing + AIoT Empowerment:** Edge computing offloads data processing to edge devices, which will boost demand for data centers and communication, reduce latency, and enhance security, with applications in healthcare, autonomous driving, and industrial scenarios.
- **AI-Driven and Digital Production:** AI optimizes production, enables predictive maintenance, and improves quality control, while digital manufacturing enhances design accuracy and troubleshooting. This integration drives innovation and supports scalable, cost-effective solutions for modern communication and data infrastructure, which is demanding in precision and requires mass production to fit huge needs.

### **Competitive Landscape of Global Communication and Data Centers Components and Modules Precision Intelligent Manufacturing Solution Market**

Our Group ranked 10th globally with a market share of 2.5% and a leading average ROE, reflecting our growing presence in the sector through advanced interconnect and integration capabilities. Our Group is one of the most comprehensive providers in the field, with full coverage across electrical interconnect, optical interconnect, thermal management, and power management. The top ten players together accounted for 68.8% of the market, while the remaining 31.2% was distributed among other smaller manufacturers.

| Rank   | Company          | Average ROE (2019-2025) | Market Share (By Revenue) | Electrical Interconnect | Optical Interconnect | Thermal Management | Power Management |
|--------|------------------|-------------------------|---------------------------|-------------------------|----------------------|--------------------|------------------|
| 1      | Company F        | 32.6%                   | 15.6%                     |                         | √                    | √                  |                  |
| 2      | Company G        | 28.2%                   | 15.6%                     | √                       | √                    |                    | √                |
| 3      | Company N        | 20.5%                   | 7.7%                      |                         |                      | √                  | √                |
| 4      | Company P        | 19.5%                   | 6.8%                      |                         | √                    |                    |                  |
| 5      | Company O        | -                       | 5.2%                      | √                       | √                    |                    | √                |
| 6      | Company R        | 2.3%                    | 4.9%                      |                         | √                    |                    |                  |
| 7      | Company II       | 30.7%                   | 3.6%                      |                         | √                    |                    |                  |
| 8      | Company S        | 18.5%                   | 3.6%                      | √                       | √                    |                    | √                |
| 9      | Company Q        | 15.0%                   | 3.4%                      |                         | √                    |                    |                  |
| 10     | <b>Our Group</b> | <b>23.7%</b>            | <b>2.5%</b>               | √                       | √                    | √                  | √                |
| Others |                  |                         | 31.2%                     |                         |                      |                    |                  |
| Total  |                  |                         | 100.0%                    |                         |                      |                    |                  |

Fig 12. Top 10 Communication and Data Centers Components and Modules PIMS Market Participants by Revenue in 2025 (Global)

(\*Notes: Company F was founded in 1966, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions of consumer electronics, automotive, and communication.

Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

Company N was established in 1971, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, mainly providing power and thermal management solutions for consumer electronics and electronics.

Company P was founded in 2005, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, focusing on providing professional high-speed optical modules solutions.

Company O was founded in 1938, headquartered in the U.S., and is a privately held technology company based in the US, providing interconnect solutions mainly for consumer electronics, automotive, and communication.

Company R was founded in 1971, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions for electronics and communication.

Company II was founded in 2008, headquartered in China, and is listed on the Shenzhen Stock Exchange, providing development and manufacturing solutions of optical interconnect products for data center, AI computing, and communication.

Company S was established in 1941, headquartered in Ireland, and is listed on the New York stock exchange, mainly focusing on connectivity and sensing solutions for automotive, communication, and defense.

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*Company Q was founded in 2000, headquartered in Thailand, and is listed on the New York Stock Exchange, mainly engaging in the development and manufacturing of automotive and communication.)*

*Source: Frost & Sullivan; Annual reports/financial statements of each company*

### Competitive Landscape of Global Communication and Data Centers Copper Connectivity Precision Intelligent Manufacturing Solution Market

Due to their superior conductivity, reliability, and cost-efficiency, copper connectors are key enablers of high-speed, low-loss data transmission, and are gaining prominence in the global communication and data centers PIMS industry. The market has demonstrated robust growth momentum, increasing from RMB43.0 billion in 2020 to RMB126.3 billion in 2025, representing a CAGR of 24.0%, and expected to reach RMB483.7 billion by 2030, representing a CAGR of 27.6% from 2026 to 2030. In the competitive landscape of the global communication and data centers copper connector PIMS market, the top five players in terms of revenue in 2025 are Company G (37.6%), Company S (11.4%), Company O (9.8%), our Group which ranked 4th globally with a market share of 4.1%, and Company CC which ranked 5th (2.1%). These companies lead the market by providing high-precision copper interconnect solutions specifically tailored for communication infrastructure and data center applications. The top ten players together accounted for 70.7% of the market, while the remaining 29.3% was distributed among other smaller manufacturers. Our Group was the highest-ranked communication and data centers copper connector PIMS provider headquartered in Chinese Mainland in 2025.)

| Rank   | Company          | Average ROE (2019-2025) | Market Share (By Revenue) |
|--------|------------------|-------------------------|---------------------------|
| 1      | Company G        | 28.2%                   | 37.6%                     |
| 2      | Company S        | 18.5%                   | 11.4%                     |
| 3      | Company O        | -                       | 9.8%                      |
| 4      | <b>Our Group</b> | <b>23.7%</b>            | <b>4.1%</b>               |
| 5      | Company CC       | 16.2%                   | 2.1%                      |
| 6      | Company DD       | 15.6%                   | 1.5%                      |
| 7      | Company BB       | 13.8%                   | 1.5%                      |
| 8      | Company EE       | -                       | 1.1%                      |
| 9      | Company FF       | 15.7%                   | 0.8%                      |
| 10     | Company GG       | 12.4%                   | 0.7%                      |
| Others |                  |                         | 29.3%                     |
| Total  |                  |                         | 100.0%                    |

Fig 13. Top 10 Communication and Data Centers Copper Connectivity PIMS Market Participants by Revenue in 2025 (Global)

*(Notes: Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.*

*Company S was established in 1941, headquartered in Ireland, and is listed on the New York stock exchange, mainly focusing on connectivity and sensing solutions for automotive, communication, and defense.*

*Company O was founded in 1938, headquartered in the U.S., and is a privately held technology company based in the US, providing interconnect solutions mainly for consumer electronics, automotive, and communication.*

*Company CC was founded in 2002, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly providing interconnect solutions for aerospace, defense, and high-end manufacturing.*

*Company DD was established in 1998, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly providing solutions for electronics, automotive, transportation, communication, and energy.*

*Company BB was established in 1993, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly engaging in designing and manufacturing solutions for communication.*

*Company EE was founded in 1958, headquartered in Germany, and is a privately held company, mainly focusing on the development and manufacturing of communication, automotive, and aerospace.*

*Company FF was founded in 1892, headquartered in UK, and is listed on the London Stock Exchange, mainly engaging in the manufacturing of integrated high-performance power and connectivity solutions.*

*Company GG was founded in 2003, headquartered in Chinese Mainland, and is listed on the Shanghai Stock Exchange, mainly focusing on the interconnect solutions for communication and automotive.)*

*Source: Frost & Sullivan; Annual reports/financial statements of each company*

## INDUSTRY OVERVIEW

### OVERVIEW OF RAW MATERIAL PRICE FLUCTUATIONS

The raw materials for PIMS mainly include metals such as copper and aluminum alloys. Copper is widely used in manufacturing various copper alloys and is a common material for connectors in intelligent precision solutions. Aluminum alloys are widely applied in making metal frames and are a common material for precision structural components in consumer electronics. Over the past five years, due to technological upgrading and the growth of downstream demand, the price of copper and aluminum alloy have remained relatively stable.

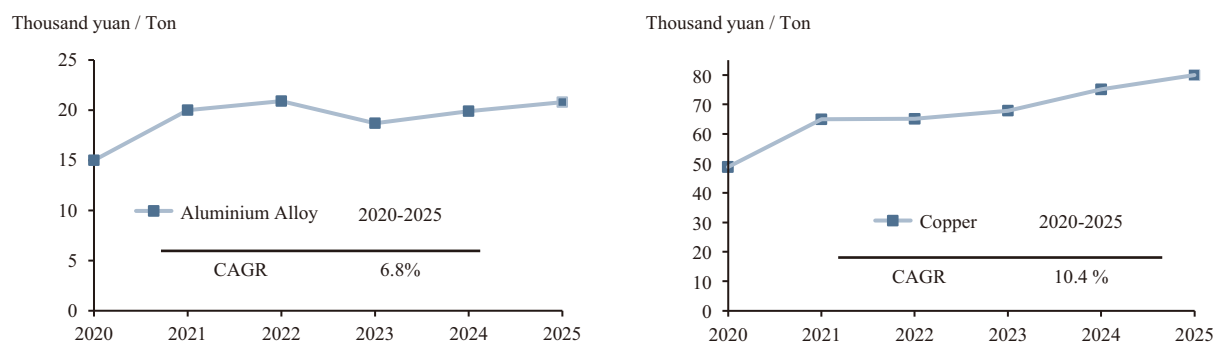


Fig 14. Price Trends of Raw Materials for PIMS, 2020-2025

Source: Frost & Sullivan; National Bureau of Statistics

### SOURCE OF INFORMATION

The Company has commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on the global precision intelligent manufacturing solution market, global consumer electronics precision intelligent manufacturing solution market, global intelligent vehicles precision intelligent manufacturing solution market and global communication and data centers precision intelligent manufacturing solution market. The report prepared by Frost & Sullivan for the Company is referred to in this prospectus as the Frost & Sullivan Report. The Company paid Frost & Sullivan a fee of RMB440,000 which the Company believes reflects market rates for reports of this type.

Founded in 1961, Frost & Sullivan has 40 offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan's services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy.

The Frost & Sullivan Report includes information on global precision intelligent manufacturing solution market, global consumer electronics precision intelligent manufacturing solution market, global intelligent vehicles precision intelligent manufacturing solution market and global communication and data centers precision intelligent manufacturing solution market as well as other economic data, which have been quoted in the prospectus. Frost & Sullivan's independent research consists of both primary and secondary research obtained from various sources in respect of the target market. Primary research involved in-depth interviews with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan's own research database. Projected data were obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has adopted the following assumptions: (i) Global and China's economy is likely to maintain a steady growth in the next decade; and (ii) Global and China's social, economic and political environment is likely to remain stable in the forecast period, which ensures the stable and healthy development of global precision intelligent manufacturing solution market.

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## REGULATORY OVERVIEW

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This section sets out summaries of certain aspects of Chinese Mainland, Hong Kong, Taiwan and Vietnam laws, regulations and policies, which are relevant to our business operations.

### LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN CHINESE MAINLAND

#### 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》) (the “**PRC Company Law**”), which was promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on December 29, 1993 and was last amended on December 29, 2023. The PRC Company Law also applies to foreign-invested companies and where laws on foreign investment have other stipulations, such stipulations shall prevail.

#### 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》) (the “**FIL**”). 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.

#### 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, 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 on December 26, 2017, a domestic enterprise in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects under the supervision of the NDRC and its local counterparts.

#### Regulations on Product Quality

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by SCNPC which was latest amended on December 29, 2018, applies to all production and sale activities in the PRC. 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, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities.

#### 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 on May 12, 1994 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 on December 10, 2001 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 on January 22, 1987 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.

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## REGULATORY OVERVIEW

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### **Regulations on Production Safety**

The Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Production Safety Law**”), promulgated by the SCNPC on June 29, 2002 and last amended on June 10, 2021, applies to all entities engaging in production and business activities in the PRC. Such entities shall, among others, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety and improve working conditions. 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 on April 29, 1998 and last amended on April 29, 2021, fire protection design and construction in construction projects shall be in conformity with the national technical standards for fire safety in engineering construction. 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 on April 1, 2020 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***

According to 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 on December 26, 1989 and last amended on April 24, 2014, the Ministry of Ecology and Environment of the PRC (the “**MEE**”) and its local counterparts are authorized to issue standards for environmental quality and discharge of pollutants, and to monitor the environmental protection scheme of the PRC.

#### ***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 on November 29, 1998 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, the PRC implements an environmental impact assessment system for construction projects. 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 and prepare an acceptance report.

#### ***Pollutant Discharge***

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the MEE on April 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, 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



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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.

### **Regulations on Intellectual Property**

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020, and its implementation rules, 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.

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and last amended on April 23, 2019, and its implementation rules, 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.

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. Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council's copyright administrative department.

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)), promulgated by SCNPC on April 23, 2019 and last 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. 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 on July 5, 1994 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 on June 29, 2007 and last amended on December 28, 2012, and its implementation rules, 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.

#### ***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 on October 28, 2010 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, the employer shall contribute to social insurance plans covering basic pensions insurance, basic medical



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insurance, maternity insurance, work injury insurance and unemployment insurance. Employers who failed to promptly make social insurance contributions in full amount shall be ordered by the social insurance collection agency to make or supplement contributions within a prescribed time limit, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within prescribed time limit, the relevant administrative authorities shall impose a fine ranging from one to three times the outstanding amount.

According to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) promulgated by the Supreme People's Court on July 31, 2025 and effective on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people's court.

According to 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, enterprises in the PRC are required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment and deposit within a prescribed period; where the payment and deposit have not been made after the expiration of the prescribed period, an application may be made to a people's court for compulsory enforcement.

### **Regulations on Taxation**

#### ***Enterprise Income Tax***

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), which was last amended on December 29, 2018. On December 6, 2007, 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 became effective on January 1, 2008 and last amended on December 6, 2024. 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 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%.

#### ***Dividend Distribution***

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) promulgated by the SCNPC on September 10, 1980 and last amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) promulgated by the SCNPC on January 28, 1994 and last amended on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a uniform rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the MOF, the SAT and the CSRC on September 7, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from

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individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

According to the EIT Law and the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC since January 1, 2008, an enterprise income tax rate of 10% shall normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless the jurisdiction in which such non-PRC resident investors are incorporated has a tax treaty with the PRC that provides for a preferential withholding arrangement. According to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by the PRC Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on November 6, 2008 and implemented on the same date, a PRC resident enterprise is required to withhold enterprise income tax at a uniform rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares since 2008. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the SAT on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (“the Arrangement”), which was signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC-resident enterprise to Hong Kong residents (including resident individuals and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC-resident enterprise unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC-resident enterprise, then such tax shall not exceed 5% of the total dividends payable by the PRC-resident enterprise. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), which came into effect on December 6, 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

### 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 on January 29, 1996 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. Foreign invested enterprises

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may purchase foreign exchange without the approval of the SAFE for trade and service-related foreign exchange transactions by providing documents evidencing such transactions. 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.

Pursuant to the Notice of the People's Bank of China and the SAFE on Issues Concerning the Administration of Funds for Overseas Listing of Domestic Enterprises (《中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which was promulgated by the People's Bank of China and the SAFE on December 24, 2025 and became effective on April 1, 2026, a domestic enterprise listing overseas shall apply for the registration of its overseas listing within 30 business days from the first trading day of the overseas listing or the completion of the over-allotment. The proceeds raised from the overseas listing by a domestic enterprise shall, in principle, be repatriated to the PRC in a timely manner. If such proceeds are to be retained overseas to conduct businesses such as outbound direct investment, overseas securities investment, or outbound lending, such domestic enterprise shall obtain the approval or record-filing documents from the competent business authorities prior to the completion of the overseas offering or the completion of the over-allotment, and shall comply with the relevant provisions on cross-border fund administration.

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 on April 10, 2020, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. 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. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

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》) (the “**Overseas Listing Trial Measures**”), 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 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》) (the “**Confidentiality and Archives Provisions**”). 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.

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### **LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN HONG KONG**

#### **Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the “Import and Export Ordinance”)**

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

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

During the Track Record Period and as of the Latest Practicable Date, our Group had not imported any articles which would contravene section 6C of the Import and Export Ordinance nor exported any articles which would contravene section 6D of the Import and Export Ordinance, and is not required to obtain a license under section 3 of the Import and Export Ordinance.

#### **Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) (the “Import and Export Regulations”)**

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

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

Any person fails or neglects to do such declaration as required under regulations 4 and 5 of the Import and Export Regulations within 14 days after the importation or exportation (as the case may be) of the article to which it relates without any reasonable excuse shall be liable to (1) a fine of HK\$2,000 upon summary conviction; and (2) commencing from the date of conviction, a fine of HK\$100 in respect of everyday during which his failure or neglect to lodge such declaration in that manners continues. Further, any person who knowingly or recklessly lodges any declaration with the Commissioner of Customs and Excise that is inaccurate in any material particular shall be liable on summary conviction to a fine of HK\$10,000.

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### LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN TAIWAN

#### Regulations on product quality and consumer protection

Product quality and consumer protection in Taiwan are primarily governed by the Consumer Protection Act and other relevant laws and regulations. Under the Consumer Protection Act, manufacturers, importers and suppliers are required to ensure that products supplied to consumers are reasonably safe under normal or foreseeable use and do not pose undue risks to personal safety or property. Where products are found to be defective or unsafe, the relevant responsible parties may be required to bear civil liabilities, including compensation for damages.

Certain categories of products may also be subject to mandatory inspection, testing or compliance with prescribed technical or safety standards. Failure to comply with the applicable requirements may result in administrative penalties, product recalls, suspension of sales or other regulatory actions.

#### Regulations on mergers and acquisitions

Mergers and acquisitions by Chinese Mainland enterprises in Taiwan are governed by a regulatory framework primarily centered on investment-related regulations in Taiwan. The Department of Investment Review (the “**Investment Commission**”) under the Ministry of Economic Affairs of Taiwan is the primary body responsible for reviewing Chinese Mainland investments. Pursuant to the investment-related regulations of Taiwan, investments in Taiwan by enterprises or individuals from the Chinese Mainland, whether directly or indirectly, including the establishment of companies, acquisition of equity interests, or mergers and acquisitions involving local Taiwan enterprises, are subject to prior approval or filing with the Investment Commission, and are subject to restrictions on investment scope, shareholding structure, and business activities.

Where Chinese Mainland enterprises and individuals engage in business activities in connection with their investments in Taiwan, such activities may involve unauthorized business operations in breach of the related investment regulations. The term unauthorized refers to the failure to obtain prior permission which is required for any profit-seeking enterprise from the Chinese Mainland or those invested by Chinese Mainland entities in a third region. This lack of authorization occurs when an entity bypasses the mandatory investment review process. Within this legal framework, business operations are broadly defined as any conduct related to profit-seeking or commercial engagement in Taiwan, including activities such as engaging in business negotiations, issuing quotes or signing contracts, soliciting customers, interviewing talent, or providing after-sales services. Such breaches may result in regulatory actions, including orders to rectify, suspension or termination of the investment, disposal of relevant interests, administrative penalties, or criminal liabilities. For the most serious breaches, the statutory limitation period for the Taiwan authorities to prosecute or conclude legal proceedings can reach 20 years. Under current Taiwanese laws, should Chinese Mainland enterprises or individuals fail to appear before the Taiwan court, the maximum potential liabilities consist of detention for not more than 60 days and a fine of not more than NT\$15 million.

#### Regulations on environmental protection

Environmental protection in Taiwan is regulated under a comprehensive legal framework, primarily comprising the Basic Environmental Act, the Environmental Impact Assessment Act, and related legislation such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act and the Noise Control Act. Enterprises engaging in manufacturing or other activities that may have an environmental impact may be required to obtain relevant permits, approvals or registrations, and to comply with applicable requirements relating to emissions, waste disposal and pollution control.

Non-compliance with applicable environmental laws and regulations may result in regulatory enforcement actions, including fines, orders for rectification, suspension of operations and criminal liabilities.



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### Regulations on fire safety

Fire safety and fire prevention in Taiwan are primarily governed by the Fire Services Act and its related enforcement rules. Under the Fire Services Act, administrators of factories, warehouses and other production or operating premises are required to install, maintain and manage fire safety equipment and facilities in accordance with applicable standards, and to implement fire prevention and emergency response measures. The competent authorities are empowered to conduct inspections and require rectification of any non-compliance.

Failure to comply with the relevant fire safety requirements may result in fines, orders to rectify, and, where serious violations result in personal injury or significant loss, criminal liabilities for the responsible persons.

### LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN VIETNAM

#### Regulations on Foreign Investment

From a legal standpoint in Vietnam, foreign investors are permitted to choose from the following investment forms: (i) formation of an economic organization; (ii) acquisition of shares or capital contribution; (iii) the implementation of an investment project; and (iv) business cooperation contract.

According to the Law on Investment 2020 (as amended), before the establishment of a foreign-invested economic organization/company (“**FIC**”) in Vietnam, foreign investors must have an investment project and must notably apply for an investment registration certificate (“**IRC**”) from the relevant Vietnamese licensing authority of the location where the investment project will be based (“**Investment Licensing Authority**”). The Investment Licensing Authority is either the relevant provincial Department of Finance (“**DOF**”), or the management authority of the relevant industrial zone/export processing zone/economic zone/high-tech zone (“**Special Zone**”), depending on the registered location of the investment project. Pursuant to the Law on Enterprises 2020 (as amended), after obtaining an IRC, the foreign investor (owner) of the FIC must submit a dossier to the business registration authority under the DOF to apply for an enterprise registration certificate (“**ERC**”) in order to incorporate the FIC.

With effect from 1 March 2026 (with certain provisions coming into effect since 1 January 2026 and 1 July 2026, respectively), the new Law on Investment 2025 permits foreign investors to obtain an ERC prior to an IRC.

A foreign investor establishing an FIC may be subject to limitations on foreign investment. The foreign investors should see if the expected business lines (in both cases of new establishment of the FIC or expanding new business lines for existing FIC) fall within the list for which foreign investment is prohibited or subject to market access conditions. After obtaining an IRC and an ERC, an FIC must carry out several statutory procedures, such as opening a tax declaration account, filing the tax declaration, and submitting periodic reports on the progress and implementation of the investment project.

Similarly, when conducting investment activities, an economic organization will be considered as a foreign investor equivalent entity (“**FIEE**”) and subject to the investment procedures and conditions applicable to foreign investors as mentioned above if it falls in any of the following circumstances: (A) foreign investor(s) holds more than 50% of the charter capital of the economic organization or majority of the partners of an economic organization constituted in the form of a partnership are foreign individuals; (B) economic organization(s) referred to in point (A) holds more than 50% of the charter capital of another economic organization; and (C) foreign investor(s) and the economic organization(s) referred to in point (A) jointly hold more than 50% of the charter capital of another economic organization.



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### Regulations on Product Quality

In Vietnam, there are two (02) types of technical characteristics and management requirements applicable to goods manufactured in Vietnam for exporting purposes which are technical regulations (in Vietnamese, “*quy chuẩn kỹ thuật*”) and technical standards (in Vietnamese, “*tiêu chuẩn kỹ thuật*”) pursuant to the Law on Technical Standards and Regulations No. 68/2006/QH11 adopted by the National Assembly of Vietnam on June 29, 2006, as amended (the “**Law on Technical Standards and Regulations 2006**”) and Decree No. 127/2007/ND-CP dated August 1, 2007 of the Government guiding in details the implementation of this Law, as amended (“**Decree 127/2007**”), and replaced by Decree No. 22/2026ND-CP dated 16 January of the Government (“**Decree 22/2026**”). While technical regulations must be strictly complied with during the production and trading of goods if applicable, technical standards are generally applied on a voluntary basis unless they are specifically prescribed by law or incorporated into technical regulations; in each case, such technical standards become mandatory. The Law on Technical Standards and Regulations 2006 also does not restrict the adoption of international technical standards for goods manufacturing in Vietnam.

Under the Law on Quality of Goods and Products No. 05/2007/QH12 adopted by the National Assembly of Vietnam on November 21, 2007, as amended, manufacturers operating as export processing enterprises (“**EPE**”) and producing goods for export are required to ensure that their exported products comply with the regulations of the importing country, the contractual terms, and any applicable international treaties or mutual recognition agreements on conformity assessment between the relevant countries or territories. Manufacturers may, on a voluntary basis, adopt certain relevant Vietnamese technical standards.

### Regulations on Firefighting and Prevention

Law on Firefighting, Prevention and Rescue No. 55/2024/QH15, adopted by the National Assembly of Vietnam on November 29, 2024 (the “**Law on Firefighting and Prevention 2024**”), effective from July 1, 2025, imposes various rules and obligations on firefighting and prevention that an enterprise must comply with.

#### *Appraisal On Fire Prevention and Extinguishment Design and Approval of Acceptance Result on Firefighting and Fire Prevention*

Before starting the construction of the construction works that are listed under Annex III of Decree No. 105/2025/ND-CP dated 15 May 2025 elaborating on a number of articles and measures for implementing the Law on Firefighting and Prevention 2024 (“**Decree 105/2025**”), the owners of construction works are required to have the fire-fighting and prevention design appraised and approved by the competent authorities. Upon completion of construction and prior to commencement of operation of construction works, such owners must organize the acceptance of firefighting and prevention design and obtain approval from the competent authorities for the acceptance result.

#### *Compulsory Fire and Explosive Insurance*

Pursuant to Decree 105/2025, any facility listed under Annex VII is required to obtain compulsory fire and explosion insurance for its properties, except for facilities under the management of by the Ministry of National Defense or the Ministry of Public Security for military, defense, security, and public order purposes.

### Regulations on Environmental Protection

The Law on Environmental Protection No. 72/2020/QH14 was adopted by the National Assembly of Vietnam on November 17, 2020. This law, as amended (the “**Law on Environmental Protection 2020**”), establishes the legal framework for environmental protection in Vietnam and sets out the rights and obligations of related individuals and organizations.

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**Regarding regulations concerning environmental license**, the environmental license is issued by the competent authority to an organization or individual engaged in production, business, or service activities that discharge waste into the environment, manage waste, or import scraps for use as production materials, subject to environmental protection requirements and conditions specified by law. The investors of Group-I Projects, Group-II Projects, and Group-III Projects must obtain an environmental license when officially commencing operations if the projects: (i) discharge wastewater, dust, or emissions that must be treated; or (ii) discharge hazardous wastes that must be managed in accordance with the law.

**Regarding regulations concerning environmental registration**, this requirement applies to projects or businesses that generate waste but are not subject to an Environmental License, except in certain limited cases, such as when only small amounts of waste are generated and managed through on-site treatment facilities or monitored under local government regulations.

**Regarding regulations concerning waste management**, organizations and individuals generating or managing waste are required to classify, collect, store, transport, treat, recycle, or dispose of waste in accordance with technical and environmental regulations specific to each type of waste. Waste generators must implement measures to minimize waste generation, ensure proper management of hazardous and non-hazardous waste, and transfer waste only to licensed entities.

**Regarding regulations concerning environmental impact assessment**, projects that are likely to cause adverse environmental impacts are required to conduct an environmental impact assessment (“EIA”) and submit an environmental impact assessment report to the competent environmental authority for appraisal and approval in accordance with the procedures prescribed by law. An EIA report summarizes the legal basis and background of the project, assesses its compliance with environmental planning and applicable laws, and evaluates the selected technologies, facilities, and activities that may affect the environment. It identifies and forecasts key environmental impacts and waste generation across project phases, including impacts on sensitive receptors and potential environmental incidents. The report also proposes waste management solutions, mitigation and incident response measures, an environmental management and monitoring program, presents consultation results, and sets out the project owner’s conclusions and commitments.

### Regulations on Intellectual Property

Intellectual property (“IP”) rights in Vietnam are primarily governed by the Law on Intellectual Property No. 50/2005/QH11, adopted by the National Assembly of Vietnam on November 29, 2005, as amended, together with its implementing regulations. The law provides protection for copyrights, trademarks, patents, industrial designs, geographical indications, trade secrets, and plant varieties, among others. Vietnam follows a “first-to-file” principle for the registration of industrial property rights such as trademarks and patents. Applications are administered by the Intellectual Property Office of Vietnam under the Ministry of Science and Technology. Vietnam is also a member of major international treaties on IP protection, including the Paris Convention 1883, the Berne Convention 1886, the Madrid System, and the Patent Cooperation Treaty. Enforcement of IP rights may be pursued through administrative actions, civil proceedings, or criminal sanctions, depending on the nature and seriousness of the infringement.

### Regulations on Labor and Social Welfare

The Labor Code No. 45/2019/QH14, adopted by the National Assembly of Vietnam on November 20, 2019 (the “**Labor Code 2019**”), sets out the legal framework for labor-related matters. The Government and the Ministry of Labor, War Invalids and Social Affairs (which has since been merged into the Ministry of Home Affairs) have also issued a number of decrees and circulars to implement the Labor Code 2019. Generally, the Labor Code 2019 provides key principles for rights and obligations of employers and employees, labor contracts, requirements on salary, working and rest hours, compulsory insurances, internal labor rules, trade unions, and the use of foreign employees, etc.

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### ***Labor Contract***

An employment relationship is governed by the contractual agreement entered into between the employer and employee. Labor contracts may take one of the following forms: (i) indefinite-term labor contract (a contract in which the two parties do not fix the term nor the time of termination of validity of the contract); or (ii) definite-term labor contract (a contract in which the two parties fix the term and the time of termination of the validity of the contract, which shall not exceed 36 months from the effective date of the contract). A labor contract shall have mandatory contents such as the particulars of the employer, particulars of employees, job description and workplace, employment term, wage/salary, regimes for promotion and salary increase, working and resting time, personal protective equipment, social insurance, health insurance and unemployment insurance, training, fostering and raising trade/vocational qualifications and skills.

The signed labor contract may be terminated under circumstances specified under the law. In the event of unilateral termination, the terminating party shall comply with the procedures and conditions required by law.

### ***Salary***

Salary includes wage rates for the work or position, plus allowances and other additional benefits. The wage rate of an employee shall not be lower than the minimum wage rate stipulated by the Government from time to time.

### ***Working Hours***

Normal working hours shall not exceed eight hours per day and 48 hours per week. Employers may request employees to work overtime, provided that the employer has obtained the employees' consent. The number of overtime working hours shall not exceed 50% of the normal working hours per day or 200 hours per year. In some special cases, the Government allows overtime working hours to go up to 300 hours per year. Employees who work overtime are entitled to additional wages.

Employees are entitled to at least one rest day per week. Employees who have been employed for 12 months are entitled to a minimum of 12 days of paid annual leave per year. Furthermore, employees are entitled to an extra annual leave day for each five years of service with the company.

### ***Labor Discipline***

*Internal Labor Rules.* An employer employing 10 or more employees shall have written internal labor rules. The internal labor regulations must be registered with the local labor authority at the provincial level. The internal labor rules govern matters such as working time, resting time, order in workplace, labor safety and hygiene, prevention of sexual harassment in the workplace and procedures for dealing with a breach involving an act of sexual harassment in the workplace, protection of employer's properties, trade secrets, technology secrets and intellectual properties, cases in which an employee may be temporarily transferred to undertake work different from that specified in their labor contract, disciplinary procedures and penalties, material liability and the person having authority to impose disciplinary penalties.

*Labor discipline.* Employees who violate the internal labor rules, subject to the nature and seriousness of the breach, may be subject to disciplinary sanctions, including reprimand, deferment of salary increase for up to six months, demotion, and dismissal.

*Compensation.* Employees may be required to compensate their employer for losses caused by them.

### ***Labor Safety (Production Safety) and Hygiene***

Production/Labor safety and hygiene in Vietnam is primarily governed by the Law on Occupational Safety and Hygiene No. 84/2015/QH13, adopted by the National Assembly of Vietnam on June 25, 2015, as amended, and its implementing regulations. Employers and employees are subject to

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various requirements on labor safety and hygiene at the workplace, such as periodically testing machinery, equipment, and materials with strict requirements on labor safety; securing personal protective facilities for employees; training classes on labor safety and hygiene; and periodic health checks. Certain industries and manufacturing sectors are also subject to additional, sector-specific technical standards and inspection requirements. Violations of production safety regulations may result in administrative penalties, or, in serious cases, criminal liability.

### *Foreign Employees*

Foreigners who work in Vietnam are required to obtain a work permit or a confirmation from the local labor department that he/she is exempt from work permits. A work permit will be issued for the same duration as the term of the labor contract but not exceeding two years.

### *Statutory Insurance*

Employers and employees shall contribute compulsory social insurance, health insurance, employment accident insurance, and unemployment insurance on a monthly basis to the social insurance fund. The contribution is calculated based on salary at the following mandatory rates.

|                    | Social Insurance | Health Insurance | Employment<br>accident<br>insurance | Unemployment<br>Insurance | Total |
|--------------------|------------------|------------------|-------------------------------------|---------------------------|-------|
| Employer . . . . . | 17.0%            | 3%               | 0.5%                                | 1%                        | 21.5% |
| Employee . . . . . | 8%               | 1.5%             | 0                                   | 1%                        | 10.5% |

### *Employee Representative Organization at the grassroots level*

Employers are prohibited from obstructing or creating difficulties for employees in carrying out lawful activities to establish, join, or participate in an employee representative organization at the grassroots level (including a trade union) at the workplace. An employee representative organization at the grassroots level (including a trade union) is an organization established voluntarily by employees at an employing unit, with the purpose of protecting the lawful and legitimate rights and interests of employees in labor relations through collective bargaining or other forms in accordance with labor law.

## **Regulations on Taxation**

### *Corporate income tax*

Enterprises established under the laws of Vietnam are subject to corporate income tax.

The standard corporate income tax rate is 20% up to the 2024 tax year. Starting from the 2025 tax year, corporate income tax rates will vary based on annual revenue thresholds. Corporate income tax rates of 15% and 17% will apply to businesses with annual revenue of VND 50 billion or less in the preceding tax year, while a 20% tax rate will apply to businesses with annual revenue above VND 50 billion. However, preferential tax rates, tax exemptions or tax reductions may be available to eligible projects in certain industries (e.g. manufacturing of high quality steel, energy saving products; manufacturing of machineries, equipment to be used in agriculture, forestry, fishery, salt production; manufacturing of animal, poultry and aquatic feeds; and development of traditional crafts) or locations (i.e. poor and remote areas) that are encouraged by the government.

### *Value-added tax*

Organizations and individuals who produce and trade in taxable goods and services in Vietnam or who import taxable goods and services from overseas are liable to pay value-added tax.

Zero rate applies to goods and services such as exported goods and services and international transportation services. Reduced rate of 5% applies to the supply of essential goods and services such as clean water, fertilizer production, medicine and medical equipment, various agricultural products and

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services, teaching tools and products, and social housing. Standard rate of 10% applies to goods and services (reduced rate of 8% currently applicable for certain items until 31 December 2026), except for those specifically named items which are subject to 0% or 5% tax rates.

### *Withholding tax*

Withholding tax applies to certain payments to foreign parties, such as interest, service fees, and leases. This comprises a combination of corporate income tax and value-added tax at varying rates. For example:

|                                                                                                 | Value-added<br>tax rate | Corporate income<br>tax rate |
|-------------------------------------------------------------------------------------------------|-------------------------|------------------------------|
| General services . . . . .                                                                      | 5%                      | 5%                           |
| Construction, installation without the supply of materials,<br>machinery or equipment . . . . . | 5%                      | 2%                           |
| Construction, installation, with the supply of materials,<br>machinery or equipment. . . . .    | 3%                      | 2%                           |
| Leasing of machinery and equipment. . . . .                                                     | 5%                      | 5%                           |
| Interest on foreign borrowings. . . . .                                                         | Exempted                | 5%                           |

### *Business license tax*

Business license tax is payable by enterprises established under the laws of Vietnam on an annual basis. The rate depends on the registered charter capital, with a maximum amount currently set at VND3 million.

### *Dividends and distributions*

All dividends payable to the foreign investor of a foreign-owned enterprise will not be subject to withholding or other taxes under the laws and regulations of Vietnam.

In general, the foreign corporate shareholder of the foreign-owned enterprise may distribute and repatriate profits if it has fulfilled its financial obligations owed to the government of Vietnam.

Where a foreign investor wishes to remit overseas lawful revenues in Vietnamese Dong derived from its direct investment activities in Vietnam, such investor may purchase foreign currency from an authorised credit institution and remit such amount overseas within 30 (thirty) working days from the date of purchase of the foreign currency.

### **Regulations on Foreign Exchange Control**

With respect capital contribution, under Vietnamese law, a FIC is required to open a “direct investment capital account” (“**DICA**”) in a foreign currency or VND at a commercial bank or a branch of a foreign bank duly licensed to operate in Vietnam (“**Permitted Bank**”) to implement transactions relating to foreign direct investment. The FIC can only open 1 (one) DICA for each type of currency, corresponding to the currency used for making the capital contribution. Several transactions must be routed via DICA, notably: (i) contribution of capital in cash (i.e., bank transfers) made by foreign investors to the charter capital of FIC; (ii) payments for the FIC’s capital transfer transactions between a resident investor and a non-resident investor, which must be made in VND and routed via the DICA in VND; (iii) drawdown and repayment of medium/long-term foreign loans borrowed by the FIC, and (iv) profit repatriation to foreign investors.

With respect to payments, in general, Ordinance No. 28/2005/PL-UBTVQH11 on foreign exchange (as amended) enshrines the principle of liberalization of “current transactions” (in Vietnamese: “giao dịch vãng lai”) (i.e., not for the purpose of remittance of capital such as the contribution of the charter capital of the FIC as mentioned above) between residents and non-residents. All current transactions related to payments and remittance of money connected to exports, imports, short-term loans from banks, net income from direct and indirect investment, interest and repayments on foreign loans, and import or export of goods or services, may be conducted freely. However, in the

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## REGULATORY OVERVIEW

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territory of Vietnam, all transactions, payments, displays of prices, advertisements, quotations, pricing, and price writing in contracts and agreements and other similar forms (including conversion or adjustment of prices of goods or services, value of contracts or agreements) must not be conducted in any foreign currency except for limited cases provided by the law.

### ***Offshore loan (without any guarantee from the Government)***

An FIC may borrow foreign loans, subject to the satisfaction of certain conditions provided by the law on (i) loan purpose, (ii) loan term, (iii) loan registration, (iv) borrowing restriction, (v) loan currency, and (vi) loan drawdown and repayment. Apart from offshore debt refinancing purpose, a FIC may borrow (i) offshore short-term loans to discharge the FIC's short-term payables (other than the outstanding principal of onshore loans) arising in its implementation of investment projects, production or business plans or other projects; or (ii) medium/long-term offshore loans to implement the FIC's investment projects and/or carry out its production or business plans or other projects. Foreign loans must be registered with the State Bank of Vietnam ("SBV") if it is (i) a medium-term or long-term (more than one year term) foreign loans (other than those arising from letters of credit), and (ii) short-term foreign loans whose actual tenor exceeds one year and be drawn down and repaid via the designated DICA or a specialized foreign loan bank account of the FIC.

### **Regulations on Compulsory Insurances**

Under the Law on Social Insurance No. 41/2024/QH15 adopted by the National Assembly of Vietnam on June 29, 2024, the Law on Health Insurance No. 25/2008/QH12 adopted by the National Assembly of Vietnam on November 14, 2008 (as amended), the Law on Employment No. 38/2013/QH13 adopted by the National Assembly of Vietnam on November 16, 2013 (as amended) and the Law on Labor Safety and Hygiene No. 84/2015/QH13 adopted by the National Assembly of Vietnam on June 25, 2015 (as amended), employees and employers are required to make contributions to the compulsory insurance schemes which include social, health, and unemployment insurances in Vietnam in favor of Vietnamese employees (and certain categories of foreign employees). The contributions are calculated based on the employee's wage or salary specified under the labor contract and made by both employee and employer in a specific percentage set forth by law.



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## HISTORY AND CORPORATE STRUCTURE

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### OVERVIEW

Our history can be traced back to May 2004, when our Company was established in Shenzhen, the PRC by our co-founders, Ms. Wang and her brother, Mr. Wang, through Luxshare Limited. For further details of Ms. Wang and Mr. Wang, see “Directors and Senior Management.”

We are a world-leading innovative technology company specializing in precision intelligent manufacturing. We provide cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other end markets.

In September 2010, our A Shares were listed on the Shenzhen Stock Exchange (stock code: 002475).

### OUR MILESTONES

The following table sets forth our Group’s key corporate and business development milestones:

| Year | Milestone events                                                                                                                                                                                                                                                                                        |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2004 | We were established in Shenzhen, the PRC as a limited liability company.                                                                                                                                                                                                                                |
| 2010 | We were listed on the Shenzhen Stock Exchange (stock code: 002475).                                                                                                                                                                                                                                     |
| 2011 | We deepened our footprint in the consumer electronics sector, and actively entered into the communication and automotive electronics businesses.                                                                                                                                                        |
| 2016 | We set up our production bases in other countries including Vietnam, and embarked on the journey towards globalization.                                                                                                                                                                                 |
| 2017 | We improved our business footprint and achieved vertical integration by progressing from fundamental components and modules to complete functional systems.                                                                                                                                             |
| 2018 | We built upon our longstanding R&D efforts and accumulated expertise, constructed our fully automated production line and progressed to advanced automation, which enabled us to commence delivery of fully automated solutions to our customers.                                                       |
| 2019 | We increased our manufacturing capacity in Southeast Asia and further enhanced our global footprint.                                                                                                                                                                                                    |
| 2020 | We commenced metal structural parts processing, which signified our continuing innovation across the three dimensions of materials, processes and intelligent manufacturing systems.                                                                                                                    |
| 2021 | We were ranked the first in the “China Electronic Components Industry Key Enterprise List” and have since continued to be ranked the first.                                                                                                                                                             |
| 2022 | We deepened our footprint in the medical devices sector which, together with our existing business segments in consumer electronics, automotive electronics and communications, further strengthened our four business lines and provided extensive and diversified product offerings to our customers. |
| 2023 | We were listed on Fortune Global 500, and have continued to be listed in 2024 and 2025.                                                                                                                                                                                                                 |
| 2024 | We commenced our acquisition of the Leoni Business, which enabled us to establish a differentiated advantage in the global automotive wiring harness market and further strengthened our strategic presence in Europe, Africa and Americas.                                                             |

## HISTORY AND CORPORATE STRUCTURE

| Year | Milestone events                                                                                                                                                                                         |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | We acquired the Qorvo Business, which focused on the manufacture and sales of radio frequency (RF) devices, which materially increased our sales volume for consumer electronics products and solutions. |
| 2025 | We enhanced our core competitiveness in the consumer electronics customization business through the acquisition of the relevant business from Wingtech Technology.                                       |

### OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, each of the following entities was our Major Subsidiary whose revenue, profit, total assets or net assets compared to that of our Group is 5% or more under the percentage ratios for any year or period during the Track Record Period:

| Name of subsidiary                  | Date of establishment | Place of establishment | Equity interest attributable to our Group | Principal business activities                                                            |
|-------------------------------------|-----------------------|------------------------|-------------------------------------------|------------------------------------------------------------------------------------------|
| Lanto Kunshan . . . . .             | April 23, 2004        | PRC                    | 100%                                      | R&D, processing and manufacturing of components and modules products                     |
| Luxshare Chuzhou . . . . .          | March 24, 2014        | PRC                    | 100%                                      | R&D, processing and manufacturing of components and modules products                     |
| Smart Manufacturing Jiangxi . . . . | December 25, 2015     | PRC                    | 100%                                      | R&D, processing and manufacturing of components, modules and system integration products |
| Luxshare Smart Manufacturing . . .  | April 8, 2019         | PRC                    | 100%                                      | R&D, processing and manufacturing of components, modules and system integration products |
| Luxshare Changshu . . . . .         | October 24, 2019      | PRC                    | 100%                                      | R&D, processing and manufacturing of components and modules products                     |
| Luxshare Kunming . . . . .          | January 14, 2020      | PRC                    | 100%                                      | R&D and manufacturing of system integration products                                     |
| Luxcase ICT Yancheng . . . . .      | September 27, 2017    | PRC                    | 48.01% <sup>(1)</sup>                     | R&D, processing and manufacturing of modules products                                    |
| Jiashan Rishan . . . . .            | June 15, 2015         | PRC                    | 48.01% <sup>(2)</sup>                     | R&D, processing and manufacturing of modules products                                    |
| Luxis Hong Kong . . . . .           | April 23, 2021        | Hong Kong              | 100%                                      | Trading of components, modules and system integration products                           |
| Luxshare Hong Kong . . . . .        | May 5, 2011           | Hong Kong              | 100%                                      | Trading of components, modules and system integration products                           |
| Luxshare Vietnam . . . . .          | October 5, 2016       | Vietnam                | 100%                                      | Processing and manufacturing of components, modules and system integration products      |

## HISTORY AND CORPORATE STRUCTURE

| Name of subsidiary           | Date of establishment | Place of establishment | Equity interest attributable to our Group | Principal business activities                                                       |
|------------------------------|-----------------------|------------------------|-------------------------------------------|-------------------------------------------------------------------------------------|
| Luxshare Van Trung . . . . . | September 5, 2019     | Vietnam                | 100%                                      | Processing and manufacturing of components, modules and system integration products |
| Casetek Singapore . . . . .  | September 12, 2019    | Singapore              | 48.01% <sup>(2)</sup>                     | Trading of components and modules products                                          |

*Notes:*

- (1) Luxcase ICT Yancheng was held as to 48.01% by our Company, 46.49% by Rih Li International Limited (日麗國際有限公司) (“**Rih Li International**”), 3.50% by Changshu Likai Enterprise Management Partnership (Limited Partnership) (常熟立鑑企業管理合夥企業(有限合夥)) (“**Changshu Likai**”) and 2% by Zimu Limited. As of the Latest Practicable Date, (i) Rih Li International was an indirect wholly-owned subsidiary of Pegatron Corporation, a company whose shares are listed on the Taiwan Stock Exchange (stock code: 4938); (ii) the general partner of Changshu Likai was a supervisor of Luxcase ICT Yancheng. Changshu Likai has 14 limited partners. Save for Mr. Li Bin (李斌), the general manager of Lanto Kunshan (one of our Major Subsidiaries), who held approximately 28.57% of the partnership interest in Changshu Likai, none of the other limited partners held 10% or more interest in the partnership; and (iii) Zimu Limited was wholly owned by the spouse of Mr. Li Bin, the general manager of Lanto Kunshan (one of our Major Subsidiaries). According to the articles of association of Luxcase ICT Yancheng, the shareholders of Luxcase ICT Yancheng shall exercise their voting rights in proportion to their paid-in capital contributions. Save for Changshu Likai which has not yet paid in its subscribed registered capital, the other shareholders of Luxcase ICT Yancheng have fully paid in their subscribed registered capital in Luxcase ICT Yancheng. Accordingly, our Company, Rih Li International and Zimu Limited are entitled to exercise 49.75%, 48.17% and 2.07% of the voting rights of Luxcase ICT Yancheng, respectively. On September 30, 2022, our Company, Mr. Li Bin, the spouse of Mr. Li Bin and Zimu Limited entered into an acting-in-concert agreement, pursuant to which the parties agreed to act in concert in the corporate decision-making of Luxcase ICT Yancheng, and Mr. Li Bin, the spouse of Mr. Li Bin and Zimu Limited shall exercise their voting rights in accordance with the direction of our Company.
- (2) Jiashan Rishan and Casetek Singapore are wholly owned by Luxcase ICT Yancheng.

## CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

### Establishment and Early Development

Our Company was established in Shenzhen, the PRC as a limited liability company on May 24, 2004 with an initial registered capital of HK\$10,000,000.

Upon the completion of several rounds of capital increases and reductions and share transfers, on October 31, 2008, the registered share capital of our Company amounted to HK\$124,000,140, with Luxshare Limited and Zixin Investment holding 92% and 8% of the equity interests in our Company, respectively.

### Conversion into a Joint Stock Limited Liability Company and Listing on the Shenzhen Stock Exchange

In February 2009, our Company completed all procedures required to convert from a limited liability company to a joint stock limited liability company, with Luxshare Limited and Zixin Investment being our Company’s promoters, and the registered capital of our Company was RMB126,000,000.

In September 2010, we completed the issuance and listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002475). We offered a total of 43,800,000 A Shares during the A-Shares Listing, which represented approximately 25.20% of our Company’s total share capital immediately following the A Share listing.

### Private Placement of A Shares in February 2015 and December 2016

In February 2015, our Company completed a private placement of its A Shares, pursuant to which a total of 65,473,887 A Shares were issued to eight investors, all of whom were Independent Third Parties. The placement raised net proceeds of approximately RMB2.01 billion, which were applied

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## HISTORY AND CORPORATE STRUCTURE

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towards the acquisition of the minority equity of Lanto Kunshan and capital increase of certain subsidiaries, as well as various production expansion and technology upgrade projects. Following the completion of the private placement, our Company's total issued share capital increased to 831,931,887 A Shares.

In December 2016, our Company completed a private placement of its A Shares, pursuant to which a total of 234,096,692 A Shares were issued in the placement to five investors, all of whom were Independent Third Parties. The placement raised net proceeds of approximately RMB4.59 billion, which were applied towards the various production expansion and technology upgrade projects, as well as for our Group's working capital. Following the completion of the private placement, our Company's total issued share capital increased to 2,120,058,632 A Shares.

### Issue of Convertible Bonds

In November 2020, our Company completed a public offering of 30 million convertible bonds of face value of RMB100 each (the “**Convertible Bonds**”) in an aggregate principal amount of RMB3.0 billion, convertible into our fully paid A Shares. The principal terms of the Convertible Bonds are summarized as follows:

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issue Date</b>        | November 3, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Issue Price</b>       | 100% of the face value of the Convertible Bonds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Interest</b>          | Interest on the Convertible Bonds is payable at the rate of 0.10% per annum for the first year, 0.20% per annum for the second year, 0.30% per annum for the third year, 1.50% per annum for the fourth year, 1.80% per annum for the fifth year and 2.00% for the sixth year from the Issue Date, payable annually on each anniversary of the Issue Date                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Maturity Date</b>     | November 2, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Conversion Period</b> | From the first trading day immediately after six months from the Issue Date up to the Maturity Date (subject to postponement to the first working day thereafter in the event of statutory holidays or rest days and no additional interest shall be calculated during the extension period)                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Conversion Price</b>  | <p>The initial Conversion Price was RMB58.62 per A Share, which shall be no less than the average trading price of the A Shares for the 20 trading days before the date of the offering document of the Convertible Bonds and the average trading price of the A Shares on the trading date immediately preceding the date of the offering document of the Convertible Bonds</p> <p>The Conversion Price is subject to adjustment for distribution of Shares, increase in share capital, issue and placing of new Shares and other adjustments as determined by the Company in accordance with the terms and conditions of the Convertible Bonds</p> <p>As of the Latest Practicable Date, the Conversion Price was at RMB55.97 per A Share</p> |

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### **Conversion Shares**

Upon exercise of the conversion rights by holders of the Convertible Bonds during the Conversion Period, the number of Conversion Shares to be issued shall be determined based on the following formula:

$$Q = V / P$$

where:

Q represents the number of Conversion Shares (round down to the nearest Share);

V represents the total face value of the Convertible Bonds the holders applied to exercise; and

P represents the effective Conversion Price as of the date of the exercise of the conversion rights

### **Redemption at Maturity**

Unless previously redeemed, converted or purchased and canceled, the Convertible Bonds will be redeemed at a price of 108% of the bond face value (including the last installment interest) within five working days after the Maturity Date

### **Conditional Redemption**

During the Conversion Period, if any of the following situations occur, the Board has the right to decide to redeem all or part of the unconverted Convertible Bonds at the price of the face value of the Convertible Bonds plus accrued interest for the current period:

- (i) During any consecutive 30 trading days of the Conversion Period, the closing price of the A Shares is no less than 130% (inclusive) of the then-current Conversion Price on at least 15 trading days of the aforementioned 30-trading-day period;
- (ii) The outstanding balance of the Convertible Bonds that have not been converted is less than RMB30 million.

The then-current accrued interest shall be determined based on the following formula:

$$IA = B \times i \times t / 365$$

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## HISTORY AND CORPORATE STRUCTURE

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where:

IA represents the interest accrued for the then-current interest period;

B represents the aggregate face value of Convertible Bonds held by the holders and subject to redemption;

i represents the coupon rate of the Convertible Bonds for the then-current interest year; and

t represents the interest accrual days, namely, the actual number of calendar days from the preceding interest payment date to the redemption date (inclusive of the first day but exclusive of the last day).

Where the Conversion Price has been adjusted during the aforementioned 30-trading-day period, the calculation shall be based on the Conversion Price and the closing price in effect before the adjustment for the trading days preceding the adjustment, and on the adjusted Conversion Price and the adjusted closing price for the trading days following the adjustment

### **Conditional Put Option**

The holders of the Convertible Bonds shall have the option to request our Company to repurchase all or part of their Convertible Bond at its face value plus the accrued interest for the then-current interest period if, during the last two interest-bearing years of the Convertible Bonds, the closing prices of the A Shares of any 30 consecutive trading days are lower than 70% of the prevailing conversion price

### **Additional Put Option**

If there is a material change in the implementation of the investment project of the Convertible Bonds compared to the commitment in the offering document, and if such change is deemed by the CSRC as a change in the use of the proceeds, the holders of the Convertible Bonds shall have the option to request our Company to repurchase all or part of their Convertible Bonds at a price equal to the face value plus the accrued interest for the then-current interest period. After the conditions of the additional put option are satisfied, the holders may exercise their put option during the additional put option period as announced by our Company. If no put option is implemented during the additional put option period, the additional put option may not be exercised thereafter.

The then-current accrued interest shall be determined based on the following formula:

$$IA = B \times i \times t / 365$$

(as defined in “—Convertible Bonds—Conditional Redemption”)

### **Listing**

The Convertible Bonds are listed on the Shenzhen Stock Exchange under the bond code of 128136

As of the Latest Practicable Date, 29,848,939 Convertible Bonds remained outstanding, of which 53,330,247 A Shares may be issued upon the full exercise of the conversion rights (based on the Conversion Price of RMB55.97 per A Share).



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## HISTORY AND CORPORATE STRUCTURE

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### ACQUISITIONS, DISPOSALS AND MERGERS

For the purpose of expanding our business and deepening our industrial footprint, we acquire targets whose resources and capabilities align with our own core capabilities and integrate them into our overall business in the ordinary and usual course of our business. Completed acquisitions prior to the Track Record Period include, but are not limited to, the acquisitions of Asap Technology (Jiangxi) Co., Ltd. (博碩科技(江西)有限公司) and Lanto Electronic Limited (昆山聯滔電子有限公司) in 2011, the acquisition of Suk Kunststofftechnik GmbH in 2013, the acquisition of Speed Tech Technology Co., Ltd. (宣德科技股份有限公司) in 2013 and 2015 (the **“Taiwan Acquisition”**), the acquisition of Meite Technology (Suzhou) Co., Ltd. (美特科技(蘇州)有限公司) in 2016, the acquisition of Merry Electronics (Huizhou) Co., Ltd. (美律電子(惠州)有限公司) in 2017 and the acquisition of Luxcase Precision Technology (Yancheng) Co., Ltd. (立鎧精密科技(鹽城)有限公司) in 2021. During the Track Record Period, we completed the following major acquisitions:

#### Acquisition of the Wingtech Subsidiaries

On January 23, 2025, we entered into an equity transfer agreement (**“ODM Transfer Agreement”**) with Wingtech Communications Co., Ltd. (聞泰通訊股份有限公司) (**“Wingtech Communications”**), a wholly-owned subsidiary of Wingtech Technology, pursuant to which we acquired the entire equity interests in certain subsidiaries of Wingtech Technology (the **“Wingtech ODM Business”**), including Jiaxing Yongrui Electronics Technology Co., Ltd. (嘉興永瑞電子科技有限公司), Shanghai Wingtech Information Technology Co., Ltd. (上海聞泰信息技術有限公司) (now known as Shanghai Luxshare Information Technology Co., Ltd. (上海立訊信息技術有限公司)) and Shanghai Wingtech Electronics Technology Co., Ltd. (上海聞泰電子科技有限公司) (now known as Shanghai Luxshare Electronics Technology Co., Ltd. (上海立訊電子科技有限公司)), which were primarily engaged in ODM business for consumer electronics products, from Wingtech Communications at a consideration of approximately RMB676.45 million, which was determined based on the audited net asset value of Wingtech ODM Business as of December 31, 2024 and was fully settled on November 21, 2025. In addition, we shall be responsible for settling the payables which amounted to RMB1,080.50 million due by Wingtech ODM Business and its wholly-owned subsidiaries to Wingtech Communications and its related parties (excluding Wingtech ODM Business and its wholly-owned subsidiaries) under the ODM Transfer Agreement, which was fully settled. The acquisition of the aforesaid equity interests was completed on January 26, 2025.

On March 20, 2025, we entered into an equity transfer agreement (the **“Wingtech OEM Transfer Agreement”**), and an equity and asset transfer agreement (the **“Wingtech Consumer Electronics Transfer Agreement”**) with Wingtech Technology, and further entered into a supplemental agreement to each of Wingtech OEM Transfer Agreement and Wingtech Consumer Electronics Transfer Agreement with Wingtech Technology on May 16, 2025, pursuant to which we acquired (i) Wingtech Technology’s OEM business for consumer electronics products, which comprised the entire equity interest in Luxshare Kunming; (ii) Wingtech Technology’s remaining consumer electronics business, which include, among others, the entire equity interest in Huangshi Wingtech Communications Co., Ltd. (黃石聞泰通訊有限公司) (now known as Huangshi Zhitong Technology Co., Ltd. (黃石智通電子有限公司)), Wingtech Technology (Shenzhen) Co., Ltd. (聞泰科技(深圳)有限公司) (now known as Shenzhen Luxshare Zhitong Technology Co., Ltd. (深圳立訊智通技術有限公司)), Kunming Wenyao Electronics Technology Co., Ltd. (昆明聞耀電子科技有限公司) (now known as Kunming Zhitong Technology Co., Ltd. (昆明智通電子有限公司)) (together with Luxshare Kunming, the **“Wingtech Other Mainland Consumer Electronics Businesses”**); (iii) PT. Wingtech Technology Indonesia and Wingtech Group (Hong Kong) Limited (collectively, the **“Wingtech Other Offshore Consumer Electronics Businesses”**), together with Wingtech Other Mainland Consumer Electronics Businesses, the **“Wingtech Other Consumer Electronics Businesses”**) from Wingtech Technology. The consideration for Wingtech Other Mainland Consumer Electronics Businesses and Wingtech Other Offshore Consumer Electronics Businesses was approximately RMB3,685.8 million and RMB365.6 million, respectively, and was determined on an arm’s length basis based on the audited net asset value of Wingtech Other Consumer Electronics Businesses and was fully settled on November 21, 2025. The acquisition of (i) the Wingtech Other Mainland Consumer Electronics Businesses was completed on July 2, 2025; and (ii) the Wingtech Other Offshore Consumer Electronics Businesses was completed on September 16, 2025.

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The acquisitions of the Wingtech ODM Business and the Wingtech Other Consumer Electronics Businesses enhance our core competitiveness in consumer electronics customization business, optimizes our product portfolio and enriches our business and customer structure. Each of Wingtech Communications and Wingtech Technology is an Independent Third Party.

Given that Wingtech Communications and Wingtech Technology are parties connected, the acquisitions of the Wingtech ODM Business and the Wingtech Other Consumer Electronics Businesses should be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisitions of the Wingtech ODM Business and the Wingtech Other Consumer Electronics Businesses in aggregate exceeds 25%. Accordingly, the relevant pre-acquisition financial information of the Wingtech ODM Business and the Wingtech Other Consumer Electronics Businesses are not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

In June 2025, we, through a subsidiary, entered into an asset transfer agreement (the “ATA”) with a subsidiary of Wingtech Technology to acquire certain land, plants and manufacturing equipment in India (collectively, the “**Indian Assets**”) for a consideration of approximately RMB311.2 million. The Indian Assets were seized and frozen by the local tax authority, materially restricting the transfer. We commenced arbitration before the Singapore International Arbitration Centre seeking termination of the ATA and recovery of the amounts paid plus interest. As of the Latest Practicable Date, the arbitration was ongoing. Please refer to “Risk Factors—Risks Relating to Our Business and Industry—Our acquisitions may not be successful and we may face difficulties in integrating acquired businesses with our existing operations” for details.

### Acquisition of Leoni Business

On September 16, 2024 and September 17, 2024, we entered into a share purchase agreement with each of L2-Beteiligungs GmbH and Leoni AG, respectively, pursuant to which we acquired 50.1% equity interest in Leoni AG (“**Leoni AG**”) from L2-Beteiligungs at a consideration of EUR205.41 million and 100% equity interest in Leoni Kabel GmbH (“**Leoni K**”), a wholly-owned subsidiary of Leoni AG, at a consideration of EUR320 million, which was determined after arm’s length negotiation by the parties taking into account the industry positions, technical expertise and business prospects of Leoni AG and Leoni K as well as the expected synergies with our Group and was fully paid on July 10, 2025. Upon completion of the acquisition on the same date, Leoni AG became held as to 50.1% by our Group and 49.9% by L2-Beteiligungs, and each of Leoni AG and Leoni K became our subsidiary.

Leoni AG is a supplier of integrated automotive wiring harness system products and solutions, while Leoni K operates automotive cable products. The acquisitions of Leoni AG and Leoni K further strengthen our strategic presence in the automotive sector. Each of L2-Beteiligungs and its sole ultimate shareholder, Stefan Pierer, is an Independent Third Party.

The acquisitions of Leoni AG and Leoni K are related and should be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisitions of Leoni AG and Leoni K in aggregate exceeds 25%. Accordingly, the relevant pre-acquisition financial information of Leoni AG and Leoni K are not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

Prior to our acquisition of Leoni Business, in January 2022, the German Federal Cartel Office (Bundeskartellamt) initiated proceedings against several cable manufacturers and other industry-related companies, including conducting searches at the business premises of Leoni AG. The investigation was launched based on suspicion of collusion among cable manufacturers in Germany concerning the customary method for calculating metal surcharges. Leoni AG continues to cooperate with the regulatory authorities and is conducting an internal review regarding the allegations and the findings from its examination of the investigative documents. See Note 51 to the Accountants’ Report in Appendix I to this prospectus for details.

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## HISTORY AND CORPORATE STRUCTURE

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### Other Acquisitions

We have applied to the Stock Exchange, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules in relation to our acquisitions after the Track Record Period. See “Waivers and Exemptions—Acquisitions after the Track Record Period” for details.

Save for the aforesaid acquisitions, during the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider material to us.

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

Our Company has been listed on the Shenzhen Stock Exchange since September 2010. Since our listing on the Shenzhen Stock Exchange and as of the Latest Practicable Date, we had no instances 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, and, to the best knowledge of our Directors and having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention. Our PRC Legal Advisors are of the view that during the Track Record Period and up to the Latest Practicable Date, we have complied with the relevant laws and regulations on A-share listing applicable to us in all material respects. Based on the above, our Directors are of the view that we had complied with the applicable listing rules and securities laws and regulations with respect to our Company’s 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 view of our PRC Legal Advisors as disclosed above and the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date.

Our Company seeks to issue H Shares and list on the Stock Exchange in order to further advance our global strategic footprint, enhance overseas financing capabilities, and further improve the transparency and standardization of corporate governance. For details, see “Business—Our Strategies” and “Future Plans and Use of Proceeds.”

### PUBLIC FLOAT

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which listing is sought. 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.

Accordingly, based on the maximum Offer Price of HK\$63.28, the portion of H Shares that will be held by the public at the time of Listing must not be less than 47,408,344 H Shares, representing at least 0.62% of the total number of issued Shares.

On the basis that no H Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, it is expected that immediately following the completion of the Global Offering (assuming the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), all the H Shares, representing approximately 4.98% of the total number of issued Shares and with an expected market value of HK\$24.27 billion (based on the maximum Offer Price of HK\$63.28), will be counted towards the public float, which will satisfy the public float requirement under Rule 19A.13A of the Listing Rules.

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## HISTORY AND CORPORATE STRUCTURE

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### FREE FLOAT

Rule 19A.13C of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. 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.

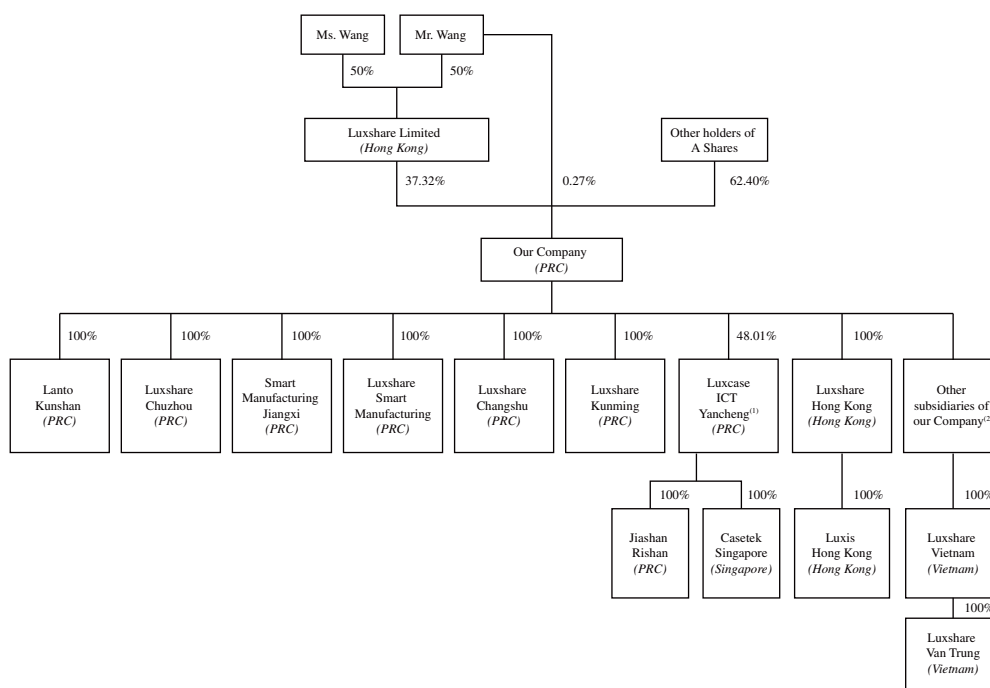
It is expected that immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, the market value of the H Shares listed on the Stock Exchange that will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the Listing is not less than HK\$600,000,000 (based on the maximum Offer Price of HK\$63.28). Accordingly, our Company will be able to comply with the free float requirement under Rule 19A.13C of the Listing Rules.

# HISTORY AND CORPORATE STRUCTURE

## OUR SHAREHOLDING AND CORPORATE STRUCTURE

### Shareholding and Corporate Structure Immediately before the Global Offering

The following chart depicts a simplified shareholding and corporate structure of our Group immediately before the completion of the Global Offering, assuming that no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date:



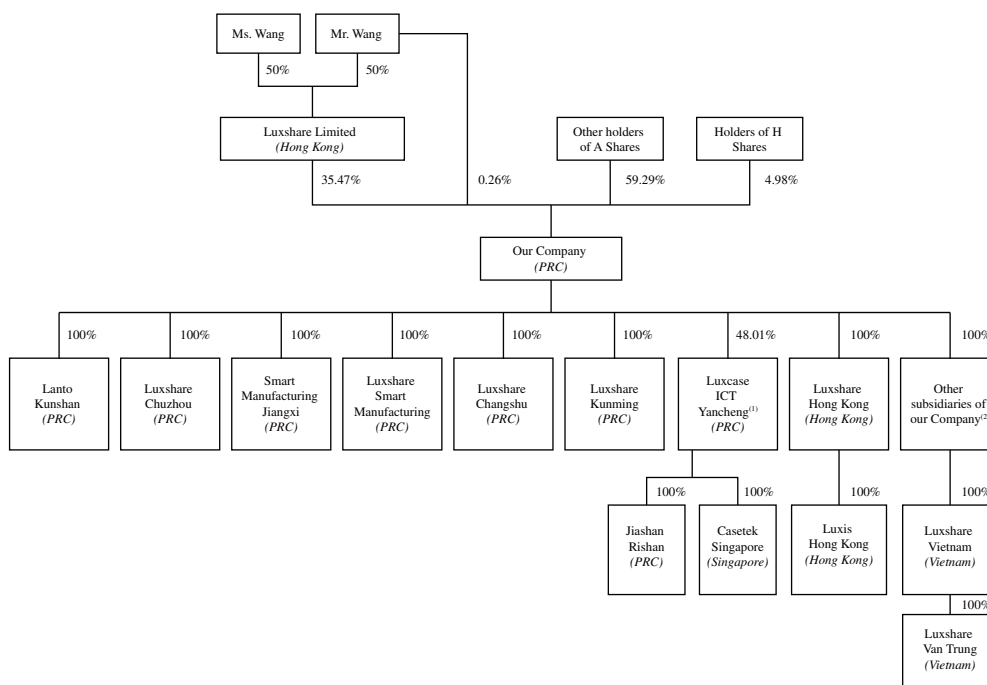
#### Notes:

- (1) Luxcase ICT Yancheng was held as to 48.01% by our Company, 46.49% by Rih Li International, 3.50% by Changshu Likai and 2% by Zimu Limited. As of the Latest Practicable Date, (i) Rih Li International was an indirect wholly-owned subsidiary of Pegatron Corporation, a company whose shares are listed on the Taiwan Stock Exchange (stock code: 4938); (ii) the general partner of Changshu Likai was the supervisor of Luxcase ICT Yancheng. Changshu Likai has 14 limited partners. Save for Mr. Li Bin (李斌), the general manager of Lanto Kunshan (one of our Major Subsidiaries), who held approximately 28.57% of the partnership interest in Changshu Likai, none of the other limited partners held 10% or more interest in the partnership; and (iii) Zimu Limited was wholly owned by the spouse of Mr. Li Bin, the general manager of Lanto Kunshan (one of our Major Subsidiaries). According to the articles of association of Luxcase ICT Yancheng, the shareholders of Luxcase ICT Yancheng shall exercise their voting rights in proportion to their paid-in capital contributions. Save for Changshu Likai which has not yet paid in its subscribed registered capital, the other shareholders of Luxcase ICT Yancheng have fully paid in their subscribed registered capital in Luxcase ICT Yancheng. Accordingly, our Company, Rih Li International and Zimu Limited are entitled to exercise 49.75%, 48.17% and 2.07% of the voting rights of Luxcase ICT Yancheng, respectively. On September 30, 2022, our Company, Mr. Li Bin, the spouse of Mr. Li Bin and Zimu Limited entered into an acting-in-concert agreement, pursuant to which the parties agreed to act in concert in the corporate decision-making of Luxcase ICT Yancheng, and Mr. Li Bin, the spouse of Mr. Li Bin and Zimu Limited shall exercise their voting rights in accordance with the direction of our Company.
- (2) To support the development of our Company's business in various categories and various regions, we had around 300 subsidiaries as of the Latest Practicable Date.

## HISTORY AND CORPORATE STRUCTURE

### Shareholding and Corporate Structure upon Completion of the Global Offering

The following chart depicts a simplified shareholding and corporate structure of our Group upon completion of the Global Offering, assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date:



Notes:

Please refer to the notes contained in the preceding page.



## OVERVIEW

### Who We Are

We are the largest provider of precision intelligent manufacturing solutions (PIMS) in the Chinese Mainland, and the fifth largest globally, in terms of revenue in 2025, according to Frost & Sullivan. As an innovative technology company, we provide cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other end markets. In particular, we rank second globally and first in Chinese Mainland in the PIMS market for consumer electronics components and modules in terms of revenue in 2025, with a global market share of 11.2% according to Frost & Sullivan.

We have built an all-round development and intelligent manufacturing platform. By engaging deeply across every stage of our clients' product lifecycle, from design, R&D, manufacturing, to after-sales support, we have become a trusted partner empowering top brands in each of our main markets around the world, including all of the top 10 consumer electronics brands, top 5 automotive electronics brands and top 5 communication and data center brands in the world and over 100 Fortune Global 500 companies.

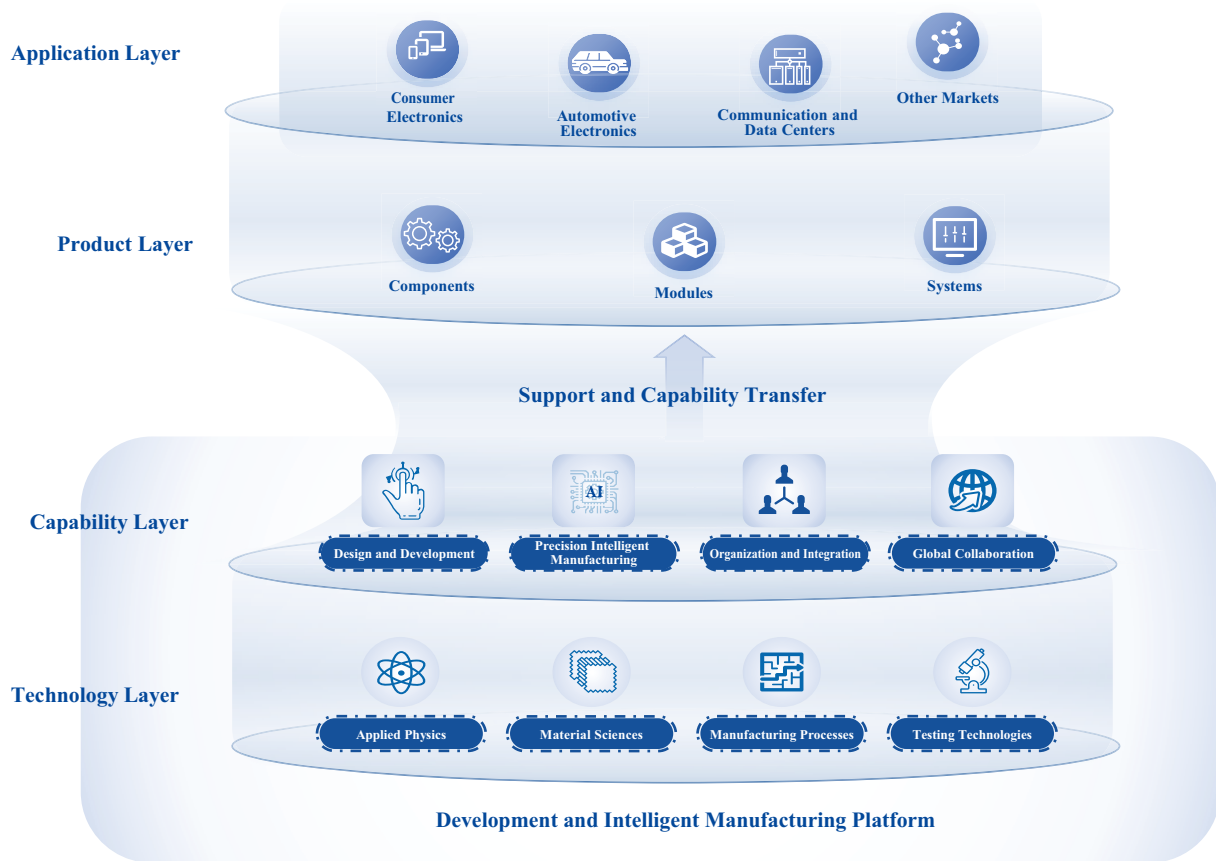
Our journey began with precision components for consumer electronics. Through organic growth, acquisitions and strategic cooperation, we expanded our product portfolio and application scenarios, and evolved into a multidisciplinary PIMS powerhouse, providing vertically integrated PIMS for all major categories of consumer electronics, including smartphones, laptops, tablets, smart wearables, intelligent acoustic terminals, smart home devices and outdoor electronics. While solidifying our leadership in consumer electronics, we have successfully replicated our proven model into automotive electronics, and communication and data centers. As of the Latest Practicable Date, we had the most comprehensive and diversified product portfolio among global PIMS providers according to Frost & Sullivan. With our scaled and diversified business, we are positioned to capture market opportunities in other frontier industries such as AI intelligent terminals, 3D printing, the low-altitude economy and robotics.

The following chart visualizes our development history:



## What We Do

Through years of R&D, innovation and industry experience, we have established an all-round development and intelligent manufacturing platform. This platform is anchored in proprietary foundational technologies, enabling highly adaptable modular capabilities that seamlessly extend across diverse product lines and application scenarios.



## Our Development and Intelligent Manufacturing Platform

As technology advances and user demands evolve, downstream industries now demand near-perfect product precision, making successful mass production a critical industry challenge. Leveraging the foundational technologies and modular capabilities of our all-round platform, we transform this pain point into market opportunity by bridging product conception and reality. This capability has significantly enhanced client retention and made us the world's first vertically integrated PIMS provider for multiple groundbreaking products, including TWS earphone, mixed reality headset and full panoramic drone.

### Technologies

The foundation of our all-round platform is our four cornerstones, namely applied physics, material sciences, manufacturing processes, and testing technologies. Through dynamic and seamless integration of various applied physics technologies, such as acoustic, optical, electrical, thermal, magnetic, RF, and structural technologies, we achieve rapid response to customer demands and cross-product application of technologies. Our industry-leading material application innovation capabilities deliver tailored materials, yielding both performance and cost advantages. With a comprehensive mastery of manufacturing processes and through continuous innovation, we have

significantly improved our production efficiency and first-pass yield. Our omni-dimensional testing system ensures full product lifecycle validation and compatibility across diverse applications, fulfilling stringent quality and reliability standards across industries.

### *Capabilities*

Building upon the robust technological foundation, our platform crystallizes into four synergistic modular capabilities, namely design and development, precision intelligent manufacturing, organization and integration, and global collaboration. Adopting a commercialization-driven approach, we deliver premium mass production solutions for our clients leveraging our capabilities in product design, process innovation, and intelligent automation. Our integration capabilities stem from a mature operational management model, an efficient intelligent workflow system, and transferable foundational technologies and know-how. Meanwhile, our globally distributed yet tightly synchronized operations deliver localized, fast responses to client demands and shorten product delivery cycles, establishing us as a go-to supplier for global clients.

### ***Our Products and Their Applications***

#### *Products*

On top of our technological bedrock and modular capabilities, we have achieved vertical integration across components, modules and systems. As of the Latest Practicable Date, we offered over 500 categories of products. Vertical integration not only yields advantages in quality, cost and efficiency, but also enables us to deliver one-stop precision development and intelligent manufacturing solutions.

#### *Applications*

Through our experience in consumer electronics, we honed replicable technologies and modular capabilities. With such technologies and capabilities, we have successfully tapped into automotive electronics and communication and data centers .

Our precision manufacturing capabilities honed in consumer electronics have translated into technological advantage and client base in automotive electronics, and communication and data centers. Our technological expertise in these sectors, in turn, inspires us to push technological boundaries and redefine possibilities in consumer electronics. We believe these competencies will propel our expansion into broader markets.

### **Our Market Opportunity**

According to Frost & Sullivan, the global PIMS market has expanded steadily, and is projected to grow from RMB11,286.8 billion in 2026 to RMB16,029.2 billion in 2030, representing a CAGR of 9.2%. On the demand side, surging needs for high-precision components in end markets, such as automotive electronics, and communication and data centers, coupled with escalating requirements for functional integration, have spurred demand for PIMS. In addition, rapid advancements in cutting-edge technologies, including copper and optical interconnect, thermal management, power solutions, AI terminals, 3D printing, the low-altitude economy and robotics, are creating new growth trajectories for the global PIMS market. On the supply side, favorable policies worldwide are propelling the development of precision manufacturing, while technological progress in AI, computing infrastructure, and industrial automation is accelerating the implementation of intelligent manufacturing. PIMS providers are racing to build “factories of the future,” and this intelligent upgrading has infused powerful impetus to the global PIMS market.

### OUR STRENGTHS

We attribute our success to the following strengths:

#### **Innovation Capabilities Driving Industry Development**

We are a world-leading innovative technology company specializing in precision intelligent manufacturing. According to Frost & Sullivan, we are a global leader in the PIMS industry, holding top positions in the PIMS markets of consumer electronics, automotive electronics, and communication and data centers in terms of revenue in 2025. Beyond market share, we proactively contribute to standard-setting initiatives by serving as the vice chairman of the China Electronic Components Association (中國電子元件行業協會) and member of more than 70 industry associations, driving industry development.

With our technical expertise and market leadership, we consistently deliver industry-first solutions.

#### ***Material Applications***

Leveraging advanced metallic, non-metallic and composite materials, we have developed a portfolio of products offering features outperforming industry benchmarks. For instance, in the field of consumer electronics, our titanium alloy demonstrates superior strength with lighter weight compared to alternatives widely adopted in the industry, and our proprietary anodizable high-strength aluminum powder for 3D printing achieves a yield strength of over 500MPa. In the field of communication and data centers, by utilizing die-cast aluminum alloy with thermal conductivity exceeding 200W/mK, we have developed products with significantly enhanced thermal dissipation, and the UV adhesive we use for solder joint shielding, featuring a low dielectric constant, delivers remarkable improvements in signal integrity.

#### ***Manufacturing Processes***

We improve and redefine manufacturing processes, making possible product designs once deemed unproducible. For instance, our non-physical foaming solution addresses the critical challenge in high-speed interconnect technology of the communication and data center industry, and multiple of our proprietary processes, such as our surface laser texturing technique that enhances surface energy and interfacial adhesion for optimized bonding, coating and welding performance, are now recognized as industry's gold standards.

#### ***Intelligent Manufacturing System***

We spearhead the industry in intelligent manufacturing with a suite of industry-first workflows that combine high precision, high yield, high operational efficiency, and low cost. We have implemented an "Intelligent 1.0" manufacturing powered by MES and classical algorithms, and are now advancing toward an AI agent-based "Intelligent 2.0" manufacturing. Our intelligent manufacturing technologies, such as new-generation intelligent AOI inspection system and automated laser soldering process, redefine industry benchmarks.

#### **Convergent Innovation and Integrated R&D Capabilities**

We believe integrated R&D and convergent innovation are our core competencies, which enables us to empower our clients through transformative solutions.

Our integrated R&D approach spans the entire lifecycle of our clients' products.

- **Product Design:** Our R&D covers the entire vertical chain of components, modules and systems, which enables us to design products with a holistic perspective, harmonizing interactions among components and modules to ultimately deliver high-reliability, high-yield system solutions; and

- **Mass Production:** We have strong equipment engineering capabilities oriented to translating product designs to reality. Based on our expertise in products, materials, machinery and processes, we synchronize product R&D and the development of manufacturing processes. This approach resolves mass production challenges with highly implementable solutions and shortens time to market for clients in a cost-effective way.

Meanwhile, we are an expert of convergent innovation, a type of innovation that combines existing technologies and ideas. Our convergent innovation capability is built upon our expertise in foundational technologies. Over the years, we have mastered various applied physics technologies, namely acoustic, optical, electrical, thermal, magnetic, RF, and structural technologies. Combined with systematic research on materials, processes and testing technologies, we have built a readily deployable innovation platform that drives breakthroughs across diverse markets and along the entire industry value chain.

These capabilities position us well in emerging markets. For example, in the market of AI terminals with increasing human-machine interactions, as one of the few vertically integrated solution providers with comprehensive expertise in both acoustic and optical technologies, we have become the partner of choice when bringing clients' product designs to market.

Our leadership in R&D and innovation is underpinned by sustained investment. We invested RMB28.2 billion in aggregate in R&D during the Track Record Period. As of December 31, 2025, we had 48,765 dedicated R&D professionals, and we owned 9,367 patents, including 2,540 invention patents. In 2025 alone, we successfully registered over 1,600 patents.

### **Intelligent Development and Manufacturing System**

We have world-leading intelligent development and manufacturing capabilities. Our intelligent system is designed to be standardized, modularized, generalized and streamlined. We have established an intelligent system spanning R&D, validation, manufacturing, testing, logistics and after-sale services. This not only helps us reduce labor costs and improve efficiency and traceability, but also enables us to lead the industry in terms of positioning accuracy, precision engineering and quality control. Through our intelligent system, we develop and manufacture products of superior quality with the application of AI technology, delivering exceptional end-user experience. Notably, we have developed ultra-precision molds in-house with tolerances down to 1 micrometer, equivalent to approximately 1/60 the diameter of a human hair. Within a peanut-sized component of only 1.15 cm<sup>3</sup>, we have designed and tightly controlled over 400 dimensional parameters. Beyond this, our rich experience in the field of intelligent manufacturing has endowed us with strong equipment design capabilities and a wealth of operational data. This in turn allows rapid scalability and continuous iteration of our intelligent development and manufacturing system, which we believe creates a competitive edge that is difficult to replicate or surpass.

### **Digital Application**

We have implemented an enterprise resource planning (ERP) digital management system encompassing all aspects of our operations. This ERP system integrates several sub-systems, such as product lifecycle management (PLM), manufacturing execution systems (MES), and warehouse management systems (WMS), which embed our standards and protocols to ensure a precise production workflow. We accumulate data throughout the entire process and consolidate them into a standardized knowledge repository to facilitate rapid redeployment and continuous optimization.

We utilize digital twin modeling to deconstruct products into functional modules, and validate module compatibility with simulation tools to reduce physical prototyping costs. We dynamically adjust our production lines through our advanced planning and scheduling system (APS) to achieve flexible mixed-line production and continuously optimize production parameters. These digital solutions can shorten time-to-market by up to 15% and time-to-capacity by up to 20%. Moreover, by replacing manual inspection with AI-powered machine vision systems, we have achieved a 99.8% defect detection rate and substantially improved yield rates and production efficiency.

### ***Automated Production***

Our automation initiatives have delivered enhancements in production efficiency, improvements in product consistency, increases in yield rates and reductions in production costs.

We are implementing our “Intelligent 2.0” initiative across our production sites. We integrate IoT technologies with our data infrastructure and algorithms to create a closed-loop intelligent operational system capable of auto-collection, auto-analysis, auto-decision-making and auto-execution. We operate a flagship “lights-out” factory in Kunshan, Suzhou, where automated robotic arms perform complex operations on the production line with accuracy, intelligent autonomous mobile robots efficiently shuttle around with materials, and various kinds of advanced intelligent equipment operate in synchronization without human intervention, realizing unmanned and high-efficiency production. A notable example of yield improvement through automation is the stress-free welding process for ground plates. By implementing dual-head hybrid bonding welding technology to replace manual operations, we significantly improved yield rate. During the Track Record Period, our first-pass yield rates exceeded 98% for our major products, with peak yields reaching 99.7%.

### ***Flexible Production***

Our modular manufacturing architecture enables rapid, cost-effective production line reconfiguration to achieve flexible delivery and accommodate seasonal demand fluctuations. This optimizes our overall equipment utilization rate and ensures timely response to market opportunities.

We have developed modular robotic work units for small-to-medium volume orders, which increase equipment redeployment rates by approximately 60% and shorten investment payback periods to almost one-third of the level for traditional solutions. This innovation overcomes the capital-intensive, highly customized constraints of conventional automated production lines and allows us to capture diverse business opportunities.

### **Exceptional Acquisition and Integration Capabilities**

We believe our ability to successfully grow our business through acquisitions and smoothly integrate targets into our overall business set us apart in the industry. Business integration often presents challenges, as it requires reconciling differences in business models, competitive landscapes, and developmental logic between new and existing operations. For integration through acquisitions, these challenges are further compounded by disparities in organizational structures, corporate cultures, and operational mechanisms between the acquiring and acquired entities. We have a proven track record of successful business integrations. This stems from the following distinctive capabilities:

- **Prudent Target Selection Strategy:** We rigorously evaluate our acquisition targets selecting only those whose resources and capabilities align with our own core capabilities and offer tangible synergies;
- **Precise Issue-spotting and Problem-solving Capabilities:** Leveraging our extensive industry experience, we swiftly diagnose operational gaps of acquisition targets and implement tailor-made remediation, unlocking their potentials;
- **Highly Transferable Foundational Technologies:** Our technologies honed in existing businesses are highly transferable. This ensures that single R&D investments yield benefits across multiple product lines and businesses, significantly reducing marginal costs for our future business integrations and laying a foundation for success in new businesses;
- **Adaptive Management Systems:** New businesses can gain immediate access to our mature operational management systems and supporting infrastructure; and
- **Inclusive and Open Corporate Culture:** After the acquisition of a business, we quickly embrace its employees through our “Luxshare Culture,” a culture of inclusiveness and excellence.



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## BUSINESS

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Business integration enables us to quickly expand our product portfolio and supplement our capabilities. Through a combination of organic growth and external expansion, we continuously enrich and optimize our product portfolio. This allows us to penetrate into clients' supply chains with specific products, and ultimately provide one-stop solutions by leveraging our comprehensive product portfolio and cross-selling capability. Our deep understanding of components and modules informs superior system designs and reduces our clients' supply chain management costs, and our understanding of systems, in turn, refines our component and module engineering. This interplay enhances our product quality, yield rates and cost efficiency, creating a self-reinforcing cycle of excellence.

### Deeply Rooted Global Presence

We have a strategic global footprint and one of the world's largest distributed production capacities in the PIMS industry according to Frost & Sullivan. We have built a global business support system covering R&D, production, sales, after-sales and logistics, with 105 production bases, 28 in-house R&D centers, 94 testing laboratories, and 66 local offices in 29 countries as of December 31, 2025, providing one-stop services to global clients through efficient cross-border synergies.

We adopt a "local innovation, global fulfillment" approach. This approach enables us to dynamically allocate resources and craft bespoke solutions tailored to diverse market demands and client needs, making us a highly trusted partner of our clients on a global scale.

- **Local Innovation:** We had a total of 28 in-house R&D centers worldwide as of December 31, 2025 that are proximate to our customers, where we fuse local talent with cutting-edge advancements to develop market-tailored technologies; and
- **Global Fulfillment:** We had 105 production bases worldwide as of December 31, 2025. Our globally distributed production capacity helps us to be closer to local and neighboring markets, quickly respond to client needs, shorten product delivery cycles, and further expand international market share and optimize the global market layout.

Relying on our years of international operational experience, we provide local brands with all-round support from manufacturing to supply chain management, helping them succeed in the global market. In turn, through the support of our diverse global clientele and robust order pipeline, we have orchestrated a deeply rooted global network. This enhances our risk resistance in an ever-evolving business landscape, enables us to deeply penetrate into the global industrial chain, and improves our resource allocation efficiency.

PIMS companies with overseas operations often grapple with various challenges, such as unfamiliarity with local markets, difficulties in technology transfer, difficulties in personnel management, costly overseas build-out, differences in legal systems and regulatory regimes, cultural conflict, and imperfections in overseas operation support systems. We tackle these challenges through our cross-sector service capability, flexible production, profound globalization expertise and strategic global resources. Our globalization strategy transcends mere production base relocation and optimizes the efficiency of all production assets. This capability, forged through sustained investment and operations, has cemented our position as one of the few transnational solutions providers capable of delivering precision worldwide.

### Mutually Beneficial Relationship with Clients

Through collaborations with global industry leaders, we have sharpened our intelligent development and manufacturing capabilities. With these competencies, we are able to empower a broader client base, and together we drive the transformation of the entire industry.

We strive to grow with our clients. We had served more than 6,000 clients as of December 31, 2025, from globally recognized consumer electronics brands to emerging start-ups. Our clients are from different sectors and at different stages of development, providing us with diversified business opportunities with high growth potential.

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## BUSINESS

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Our high-quality, excellence-committed client base is a testament to our precision manufacturing capabilities, which enable us to consistently meet our clients' rigorous requirements for product quality, responsiveness, service capability and manufacturing processes. As of December 31, 2025, we had served over 300 brand owners globally, covering all top 10 global consumer electronics brands, all top five global automotive electronics brands and all top five global communication and data center brands.

The depth and breadth of our cooperation with clients reflect our value and development potential. We provide our clients with tailor-made one-stop solutions covering the whole process of product design, development, mass production, testing, quality control, cost control, supply chain management and logistics and warehousing. This has not only broadened the client base of our traditional business, but also brought us richer incremental business opportunities, which has solidified our leading position in the industry.

### **Visionary Leadership and Experienced, Stable Management Team**

We possess the tenacious entrepreneurship of a start-up, the systematic rigor and professionalism of a multinational corporation, and the craftsmanship of a precision manufacturing company.

Ms. Wang Laichun, our founder, chairlady and general manager, is an outstanding entrepreneur whose strategic foresight and innovative mindset have steered our excellence in the global PIMS industry. With her extensive industry insights accumulated through over 30 years of intensive practice, Ms. Wang has set key strategic directions for our globalization and business development, and played a pivotal role in our success.

Our management team has been in the PIMS industry for years. With rich management experience, keen market insight and “mud-on-boots” management style, our management team plays a key role in the formulation of business strategies, tactical implementation and team building, driving us to achieve stable and sustainable growth. With strong cultural alignment, our management team has stood united throughout the years. This has been instrumental in maintaining the stability of our management and operational structure, laying a concrete foundation for our sustained business prosperity.

We adopt a flat, non-hierarchical organizational structure that allows leaders at all levels to act with autonomy and agility. This structure unleashes execution capabilities, streamlining internal decision-making, enabling seamless cross-functional collaboration, and delivering rapid, client-centric solutions.

We uphold the core values of “Customer Success, Relentless Mission, Continuous Innovation, United Journey and Self-driven Growth.” These core values help us attract, retain and upskill talent, which not only consolidates our advantages in traditional fields, but also lays the foundation for our development in emerging sectors.

### **OUR STRATEGIES**

#### **Increase R&D and Innovation Efforts to Consolidate our Leading Position in the PIMS Industry**

We are guided by cutting-edge technologies. We will make visionary investment in R&D, continue to refine the manufacturing process, explore the application of cutting-edge technology, and drive the growth of the industry and the sustainable development of society. We will continue to innovate in the areas of materials, processes and intelligent manufacturing systems to consolidate and strengthen our leading position in the PIMS industry, and to further improve our efficiency and productivity.

In addition, we will continue to explore and invest in emerging fields such as copper connectivity, optical connectivity, thermal management, power solutions, AI terminals, 3D printing, robotics, 6G technology, high-performance silicon carbide optical waveguide and terahertz band communication.

Meanwhile, talent is the foundation of our R&D capabilities. We plan to continue to introduce, retain and cultivate talent in order to enhance our R&D capabilities.

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### **Continue to Go Global and Enhance Our Glocalized Service and Delivery Capabilities**

We have established global R&D, manufacturing and service networks in many countries and regions. In the future, we will expand our overseas production capacity through a combination of organic growth and acquisitions, continue to optimize the footprint of our global manufacturing bases and R&D centers, and build a more agile and flexible production capacity supporting system to meet the glocalized service needs of overseas clients. We are committed to furthering our globalization in the following ways:

- Increasing investment in overseas R&D centers, developing products that meet local customers' preferences, and strengthening localized design capabilities;
- With established and planned overseas manufacturing bases, further optimizing capacity allocation and promoting supply chain localization and flexible arrangement;
- Further building a globalized team, cultivating local talent, and offering long-term career development opportunities for overseas employees; and
- Through the Listing, further improving our global brand recognition and employee incentive mechanism, providing talent and capital support for our international operations.

### **Upgrade Our Development and Intelligent Manufacturing Platform to Enhance Production Efficiency and Realize Green Manufacturing**

In the future, we will further upgrade and expand our development and intelligent manufacturing platform, continue to innovate our production methods, enhance our digital, automated, flexible and green production lines, to improve our production efficiency and product yields:

- **Improve Automated Manufacturing Capabilities:** We will enhance our ability to build pre-adaptive manufacturing capabilities, including intelligent scheduling, resource allocation, and predictive maintenance capabilities. We plan to utilize an AI engine to optimize equipment efficiency and reduce product changeover costs;
- **Enhance Digital Twin Technology:** By deploying digital twin solutions, we plan to enhance remote production line operations to deliver unified, lean management across the entire manufacturing lifecycle;
- **Strengthen Testing Capability:** We will enhance our testing capability, and further improve real-time data acquisition and analysis, quality control and defect detection capabilities; and
- **Implement Green Manufacturing:** We will realize green manufacturing of core products for our customers through energy data sharing and process optimization.

### **Continue with Vertical Integration and Industry Expansion**

Vertical product integration and horizontal industry expansion have been the key to our success in maintaining sustainable business development over the years, and we will continue to adopt this strategy to expand our client base, products and solutions, and broaden and deepen our client cooperation.

We will leverage our deep grasp of underlying technologies and strong digital management capabilities to further realize the organic combination of different technological elements, and continue to migrate mature technological solutions to emerging fields, including expanding upstream and downstream along the industry chain in existing application fields, as well as expanding into new application fields.

We plan to selectively seek strategic investments and make investments and acquisitions that can enhance our capabilities in the industrial value chain and in the various markets that we are currently serving or may be involved in. We will also continue to fully leverage our business integration capabilities and experience, empowering targets to achieve fast growth in their scale of operation and profitability after completion of our strategic investments or acquisitions.

### **OUR PRODUCTS AND SOLUTIONS**

We provide cross-sector, vertically integrated PIMS—from components and modules to systems—for global clients in consumer electronics, automotive electronics, communication and data centers, and beyond. Our solutions embody “intelligence” and “precision” across the full manufacturing lifecycle. We have developed an intelligent manufacturing system featuring deep human-machine

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collaboration, supported by our self-developed automated factory system. We integrate industrial robots, data collection and analytics, AI algorithms, and digital twin technology across R&D, manufacturing, supply chain management, and quality control, achieving a highly intelligent production model. The precision of our solutions is reflected in high-accuracy manufacturing, integration and inspection processes, with tight dimensional tolerances at the micron or sub-micron level, high consistency and reliability.

The following diagram shows our vertically integrated product portfolio, including core components, modules and systems, for each of our business lines:

|                                                                                                        | <br><b>Consumer Electronics</b>                                                                                                                                                                              | <br><b>Automotive Electronics</b>                                                                                                                                                                                                                                                        | <br><b>Communication and Data Centers</b>                                                                                                                  | <br><b>Other Markets</b> |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <br><b>Components</b> | Audio and video data transmission harnesses and connectors, charging harnesses and connectors, speakers and receivers, microphones, motors, variable apertures, antennas, power supply components, magnetic components, plastic molding components, metal structure components and soft goods | Various wiring harnesses, connectors, and busbars                                                                                                                                                                                                                                                                                                                         | High-frequency computing power transmission harnesses, high thermal conductivity components, and radiators                                                                                                                                   |                                                                                                             |
| <br><b>Modules</b>  | Wi-Fi modules, bluetooth modules, screen modules, mini-LED, and System-in-Package (SiP)                                                                                                                                                                                                       | Automotive USB modules, wireless charging modules, ultra-wideband digital keys, airbag control units, smart junction boxes, camera monitoring stems/electronic rear view mirrors, hidden door handles, battery management system, on-board charger, DC to-DC, power distribution unit, vehicle control unit, microcontroller unit, and active rear-wheel steering systems | Heat dissipation module, optical module, power module, liquid cooling module, and fan                                                                                                                                                        | Components, modules and systems for various medical devices and industrial equipment, among others          |
| <br><b>Systems</b>  | Complete devices used in the office space (such as laptops and conference system), home space (such as smart speakers and beauty devices), and outdoor space (such as earphones, AR glasses, and smartwatches)                                                                                | Automotive vascular and nervous system (vehicle wiring harness and connector system), smart domain control system, smart chassis system, vehicle entry system, and powertrain system                                                                                                                                                                                      | Base station antenna, tower amplifier/combiner, remote radio unit, repeater, active antenna unit, remote radio unit, distributed antenna, customer premise equipment (CPE), power supply system, wave filter, and temperature control system |                                                                                                             |

### Consumer Electronics

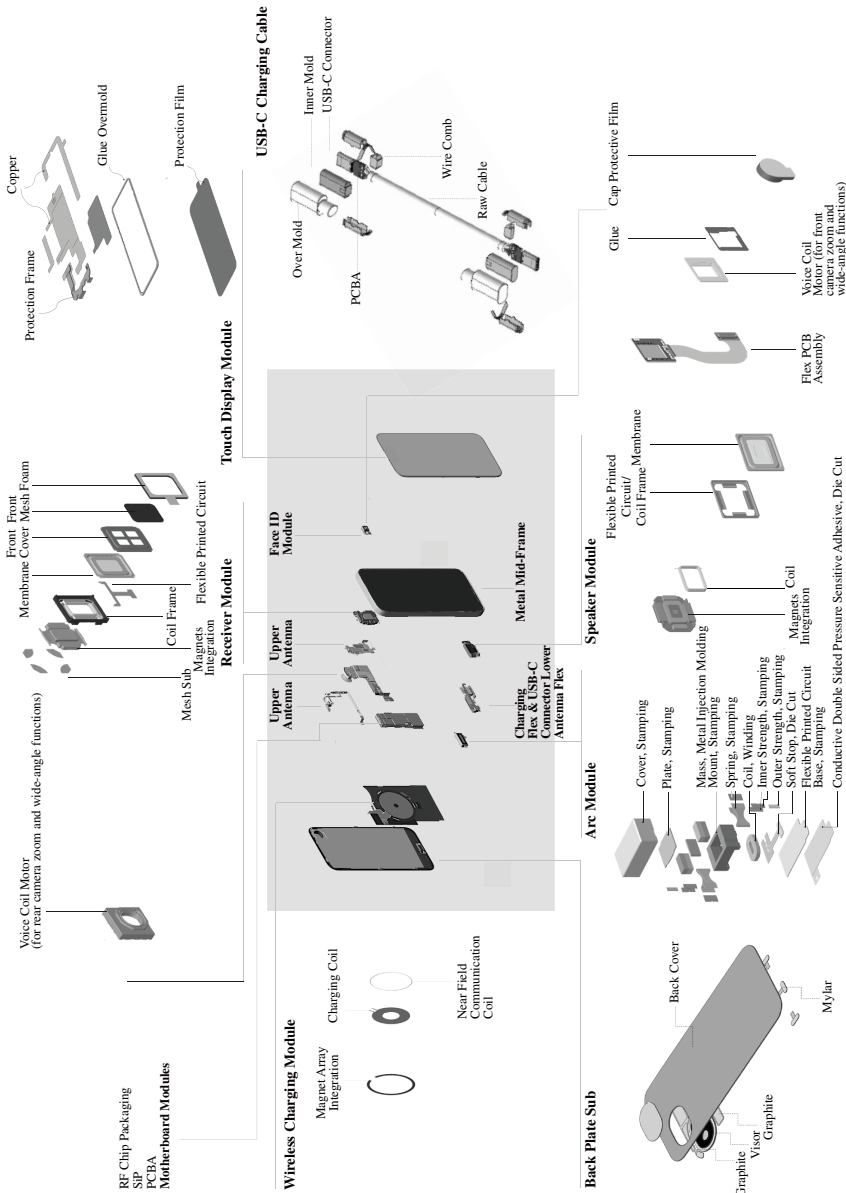
Our foundational strength lies in consumer electronics. According to Frost & Sullivan, we are the world's second largest and Chinese Mainland's largest consumer electronics components and modules PIMS provider, measured by revenue in 2025, with a global market share of 11.2%. With the convergence of AI computing and IoT technologies, consumer electronic devices are rapidly evolving to embrace slimmer form factors, enhanced functional integration, and context-aware AI capabilities. These trends are driving surging demand for ultra-compact and high-reliability precision components and functional modules, with downstream industries now demanding near-perfect product precision. We believe our industry leadership, combined with our vertically integrated product offering, globally distributed manufacturing network and R&D capability, position us well to capture the growth opportunity in the consumer electronics industry.

We provide integrated development and manufacturing solutions to elevate consumer experience across three major application scenarios, namely (i) productivity in office spaces through products such as smart display, video conference system, smart speaker, tablet, smart stylus, smartphone, laptop, Bluetooth mouse, smart camera, wireless charger and Bluetooth keyboard; (ii) convenience and entertainment in home spaces through products such as all-in-one vacuum-mop, robotic vacuum cleaner, gaming controller, power bank, smart socket, portable charger, router, smart speaker, beauty device, tracker and VR glasses; and (iii) intelligent, safe, convenient, and entertaining experiences in outdoor spaces through products such as outdoor power bank, self-balancing scooter, electric scooter, consumer drone, AR glasses, bone conduction earphone, Bluetooth headphone, smart ring, smart wristband and action camera.

The following images illustrate the composition of our representative system integration products and in-house manufactured components and modules.

**Smartphone**

For smartphones, we manufacture a range of modules, including the motherboard module, receiver module, touch display module, USB-C charging cable, Face ID module, speaker module, ARC module, back plate sub-assembly, wireless charging module, upper antenna, lower antenna flex, and metal mid-frame, as well as the components contained within these modules as illustrated below.

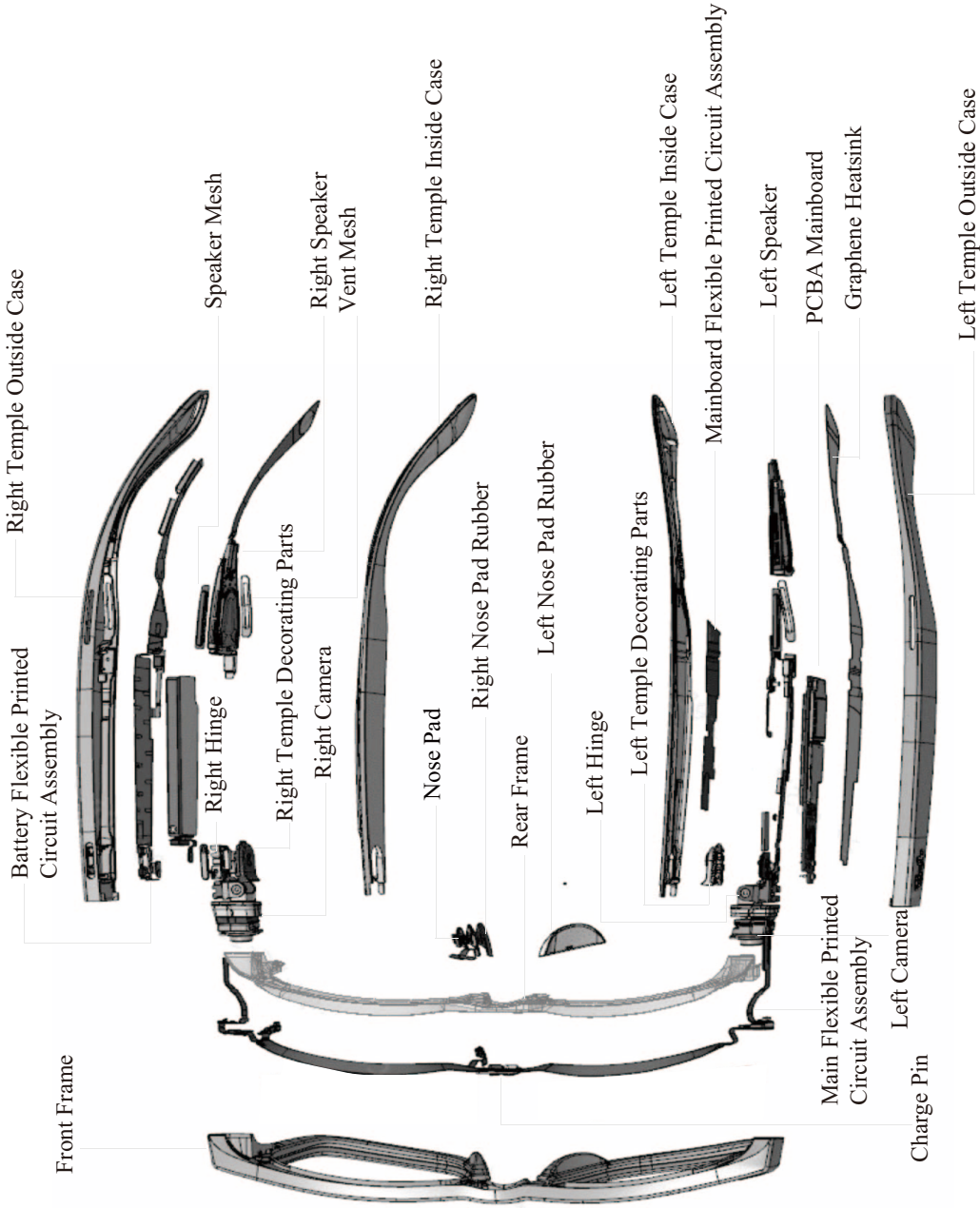


\* Parts annotated in bold are modules, whereas those in regular typeface are components.



AR Glasses

For AR glasses, we manufacture all of the components shown in the diagram below.



## Automotive Electronics

Building upon our proven expertise in consumer electronics for the office, home and outdoor spaces, we have strategically expanded into the automobile space. The automotive industry is undergoing significant transformation, driven by the convergence of electrification and intelligence. Vehicles today transcend mere transportation—they deliver more intelligent driving experiences while harnessing advanced data collection, analytics, and processing to offer personalized mobility solutions. In this transformative era, automotive electronics-related components are playing an increasingly critical role. Taking wiring harnesses and connectors as examples—as the vascular network and nervous system of vehicles, demand for wiring harnesses and connectors has surged exponentially, along with more stringent and sophisticated technical requirements.

### Product Category

### Main Products

**Automotive vascular and nervous system (vehicle wiring harness and connector system):** Connects various components in vehicle and transmits power and electrical signals . . . . .



**Low-voltage full-vehicle wiring harness**



**High-voltage wiring harness**



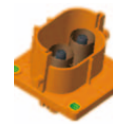
**High-speed wiring harness**



**Special wiring harness**



**Charging gun**



**High-voltage connector**



**Low-voltage connector**



**High-speed connector**

**Intelligent cockpit and ADAS:** Controls all cockpit functions, provides content ecosystem, facilitates human-computer interaction, provides driving assistance and decision-making . . . . .



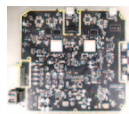
**Intelligent cockpit domain controller**



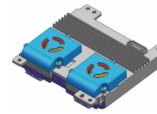
**Zone control unit**



**Airbag controller**



**ADAS domain controller**



**Wireless power consortium**



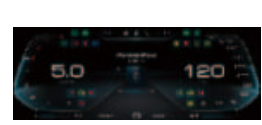
**USB module**



**Multi-screen display**



**AR-HUD**



**Instrument cluster**

## BUSINESS

### Product Category

### Main Products

**Smart chassis system:** Controls vehicle driving, steering and braking to improve handling .



Active rear steering



Electronic powered steering powerpack



Smart chassis domain controller

**Vehicle entry system:** Enables seamless interaction and scenario-based collaboration. .



Ultra-wideband digital key



Hidden door handle

**Powertrain system:**

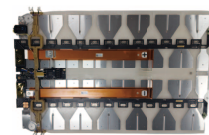
Full-scenario energy efficient power system . . . . .



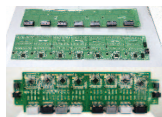
All-in-one powertrain



Motor control unit



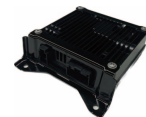
Combined charging system



Battery management system



DC-to-DC



DC-to-AC

### Communication and Data Centers

With the acceleration of digital transformation, global data volumes have grown explosively, leading to a surge in demand for high-performance communication equipment. With the widespread adoption of AI applications globally, data centers are simultaneously seeing exponential growth in demand for computing power, data transmission speed, thermal management, and energy efficiency.

Our PIMS for communication and data centers are engineered to meet the exacting demands of modern communication and data center infrastructure, delivering precision, reliability and efficiency for communication base stations and data centers. By seamlessly integrating next-generation technologies like IoT, AI, and edge computing with advanced manufacturing processes, we enable high-precision fabrication and intelligent management for communication and data centers. According to Frost & Sullivan, we are one of the most comprehensive PIMS providers for communication and data center components and modules, covering copper interconnect, optical interconnect, thermal management and power management, among other areas. According to the same source, we are the world's tenth largest PIMS provider for communication and data center components and modules, with a global market share of 2.5%.

### Communication

Our communication products and solutions span the entire wireless communication industry value chain. We specialize in the R&D and manufacturing of wireless coverage equipment, providing high-performance, coverage-optimized products leveraging our cutting-edge technologies and precision manufacturing processes. In addition, we manufacture network application terminal products, delivering integrated support from infrastructure to end applications through our intelligent manufacturing system

## BUSINESS

and stringent quality control. In response to escalating market demands for high-speed, low-latency, and high-capacity wireless networks, we remain dedicated to the innovative R&D and building of seamless, reliable and ubiquitous wireless communication networks, empowering smart cities and diverse scenarios with efficient, intelligent connectivity, driving industry transformation in the digital era.

### Product Category

### Main Products

Base station antenna .

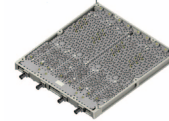


key device for transmitting, receiving and directing wireless signals between base stations and mobile terminals, used to establish wireless connection links for mobile communications.

Wireless access . . .



RF remote unit: processes and amplifies the RF signals from the base station before sending them to the antenna. It also receives signals from the antenna, processes and returns them, achieving remote transmission and conversion of RF signals.

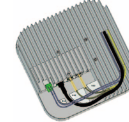


Base station filter: a key component of the wireless communication system, which can accurately filter specific frequency band signals, effectively suppressing interference, spurious signals and harmonics, among other signals. This ensures stable and accurate signal transmission, and reliable communication for base stations.

Indoor distribution system . . . . .



Distributed antenna system: an indoor signal coverage network. Through distributed antennas, it evenly distributes base station signals throughout various indoor areas, eliminating signal blind spots and improving the quality of indoor wireless communication to meet the needs of multiple users, such as voice calls and data transmission.



Small cells: used to enhance mobile communication signal coverage in localized areas, increasing network capacity, and meet the high bandwidth and multi-connection demands in hotspots or indoors.

Point-to-point microwave transmission system . . . . .



Outdoor unit: responsible for the transmission, reception, frequency conversion and amplification of microwave signals. It works in conjunction with the indoor unit to achieve high-speed wireless data transmission between two points



Indoor unit: converts user data into intermediate frequency (IF) signals or to demodulate and restore the IF signals back into user data

### Data Center

If we envision a data center as a city, we are its infrastructure provider, building the highways and climate control systems within. The main data center products and solutions we provide include copper connectivity, optical connectivity, thermal management and power solutions.

### Product Category

### Main Products

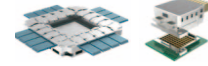
Copper connectivity . .



External high-speed copper cables (DAC/ACC/AEC): high-speed interconnect copper cables for short distances, for use inside AI cabinets and between cabinets

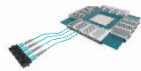


Internal high-speed signal connector input/output (SSIO): input and output high-speed signals



Connector cable module (co-packing copper/near-packing copper): copper cable transmission solution that replaces traditional PCB wiring

## BUSINESS

| Product Category         | Main Products                                                                       |                                                                                                                  |                                                                                                                        |
|--------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Optical connectivity . . |    |                                 |                                     |
|                          | External high-speed signal connector input/output (HSIO): transmits high-speed data | Cable module (riser cable): used to connect various device modules                                               | Backplane cable module: used to protect cables and transmit high-speed signals                                         |
|                          |    |                                 |                                     |
| Thermal management . .   | Active optical cable (AOC): fiber-embedded high-speed optical component             | Optical transceiver module: transmits and receives data                                                          | Fiber-optic patch cord: used to connect different fiber optic devices                                                  |
|                          |    |                               |                                                                                                                        |
|                          | Heat sink: external air-water heat exchanger preventing switches from overheating   | Fans: circulates air to regulate temperature                                                                     |                                                                                                                        |
| Power solutions . . . .  |   |                                |                                    |
|                          | Water-cooled plate: circulates coolant for chip heat dissipation                    | Coolant distribution unit: circulates coolant and controls the liquid cooling system                             | Temperature control solution: an immersion liquid cooling system for regulating the temperature of computing equipment |
|                          |  |                             |                                                                                                                        |
|                          | Server power supply and power supply rack: centralized power supply                 | Busbar and clip: serves as a connection point for multiple electrical circuits for electrical power distribution |                                                                                                                        |

### Other Products

In addition to consumer electronics, automotive electronics, and communication and data centers, we leverage our cross-disciplinary technical expertise and vertical integration capabilities to disrupt adjacent industries, providing products and solutions for medical devices, industrial equipment, outdoor power equipment, robotics, new energy storage and other end markets, continuously broadening our technical and commercial horizons.

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## BUSINESS

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Sales of products and solutions for medical devices accounted for a large portion of other products we provided during the Track Record Period. We collaborated with globally leading medical device brands and have earned their trust and recognition. We primarily provide cables and components for the transmission of images, signals and power in medical devices such as preventive medical devices, diagnostic devices and healthcare wearables.

In addition, our products and solutions can also be used in the field of robotics. In particular, we can provide one-stop PIMS involving key components such as actuators and sensors, as well as system integration.

### OUR BUSINESS PROCESS

We maintain a flexible business model and ensure agile response to customer needs. Through cross-departmental collaboration (primarily sales, technology, production and after-sales), full process visualization and risk pre-management, we address client needs in a cost-efficient manner while maintaining high quality standards. We collaborate with our clients at each stage of the business process, providing technical expertise and valuable industry insight throughout their journey with us.

- **Market Insight and Demand Definition:** Leveraging our extensive experience and technological expertise, we proactively identify the pain points and challenges within our clients' industries. By analyzing technological development trends and market dynamics, and combining this with our clients' technical foundations and growth strategies, we provide professional advice on market demand and product direction;
- **Providing Innovative/Optimized Solutions:** To address the identified industry pain points and product demands, we propose innovative solutions—whether through development of new products or optimization of existing ones. Leveraging our extensive experience in shaping various industry standards, our R&D team collaborates closely with clients to define products and finalize technical specifications. At times, we leverage our technological expertise to proactively recommend to our clients on the application of cutting-edge technologies, helping clients refine product designs while ensuring manufacturability. We offer clients multiple cost simulation scenarios, balancing price and performance;
- **R&D and Design Verification:** Utilizing digital twin technology and multi-dimensional simulations, we minimize trial-and-error costs. We rapidly produce prototypes and conduct rigorous reliability testing and certification validation in our testing laboratory to further refine our products. Through these efforts, we have developed products that are reliable, cost-effective, and easy to mass produce;
- **Manufacturing and Delivery:** Our intelligent production system enables rapid response and flexible delivery to customized demands. Real-time process optimization via MES ensures seamless transitions from prototyping to new product introduction (NPI) and mass production, progressively enhancing throughput. Production dashboards provide transparency, enabling on-time delivery while meeting efficiency targets. Each unit's customized production process is meticulously tracked, with live portal updates ensuring end-to-end visibility, enabling us to fulfill our customers' manufacturing and delivery expectations; and
- **After-sales Service:** Beyond mass production, we provide dedicated after-sales service and a holistic support framework, ensuring exceptional customer experiences and lasting satisfaction.

### OUR GLOBAL PRESENCE

Our business spans multiple continents, delivering value to customers worldwide. To support this expansive network, we have strategically established 105 production bases, 28 in-house R&D centers, 94 testing laboratories, and 66 local offices in 29 countries worldwide as of December 31, 2025. The total revenue from our sales to customers incorporated outside of Chinese Mainland for 2023, 2024 and 2025 was RMB196.0 billion, RMB225.8 billion and RMB273.8 billion, respectively. This represented

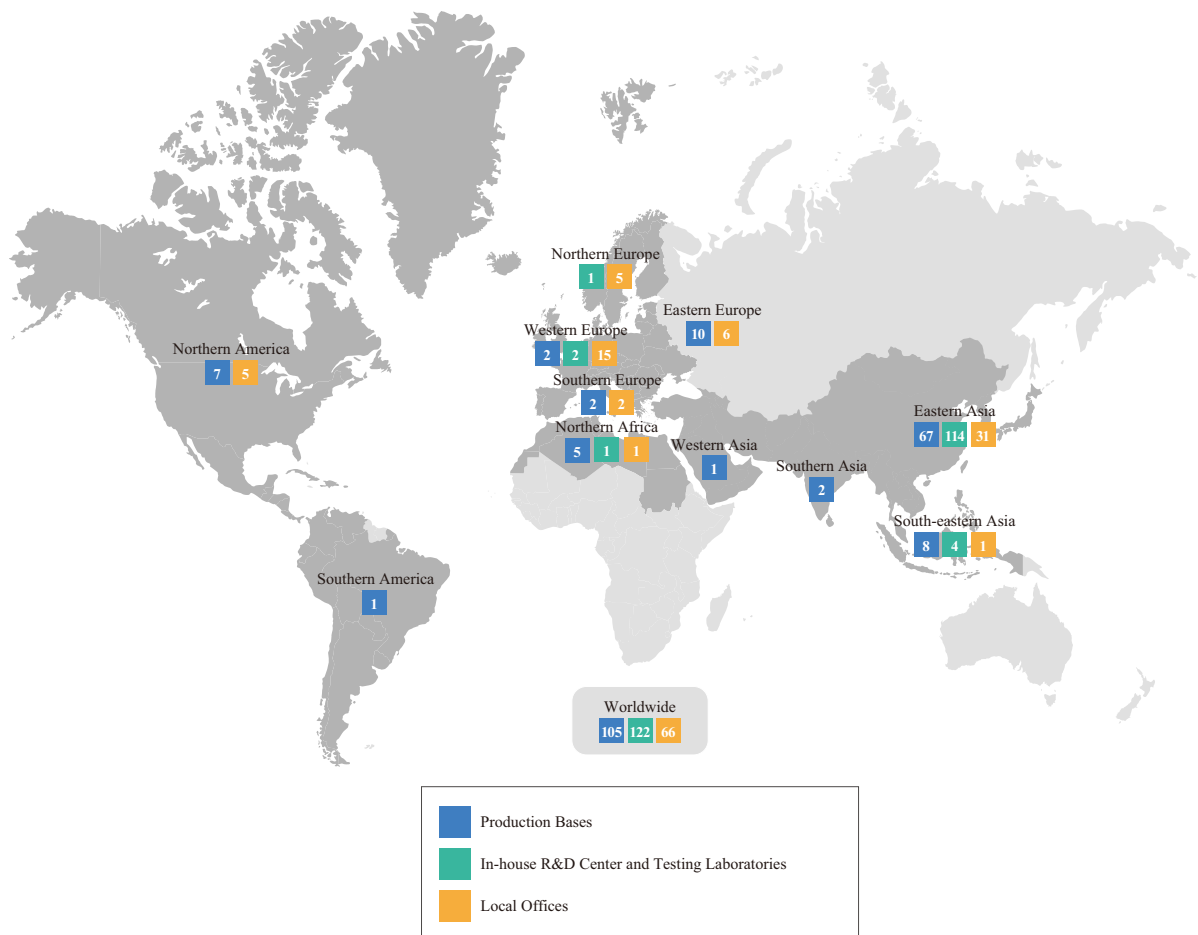


## BUSINESS

84.5%, 84.0% and 82.4% of our total revenue during the same years, respectively, representing the successful implementation of our strategy to continuously develop and maintain relationships with customers on a global scale.

We uphold a “local innovation, global fulfillment” strategy. This strategy transcends mere notions of globalization. It is a strategy that has enabled us to establish a fully globalized value chain in R&D, production, supply chain, and sales. This global footprint enables us to gain a deeper understanding of technological advancements, leverage local talent, and provide close support to our customers. It also enables us to dynamically allocate our R&D and production resources and craft bespoke solutions tailored to diverse market demands and customer needs. By blending localized expertise with global scalability, we gain sustainable growth and resilience in an ever-evolving business landscape.

The following map illustrates our worldwide footprint as of December 31, 2025:



Note:

(1) Geographical subregions with reference to the United Nations Statistics Division

## TECHNOLOGIES AND R&D

We are an innovation-powered enterprise where R&D transcends mere product design to encompass holistic manufacturing solutions and the seamless realization of product concepts. We believe our true value lies in our capabilities in automation, bespoke equipment engineering, and production line optimization. This empowers us to accelerate client innovation, transforming early-stage prototypes into scalable, market-ready solutions.

Moreover, we engage deeply in the early design phase of clients' products, offering expert guidance across materials, structures and processes. By co-developing products with clients, and sometimes even taking the initiative to propose advanced technologies to them, we assist clients in optimizing their product design. This early-stage, proactive approach enhances client trust and loyalty and fortifies our market position.

### **Our Key Technologies**

We have innovatively applied new materials, developed numerous leading foundational technologies and manufacturing processes, creating significant competitive advantages.

The following are some of our representative innovations:

#### ***Material Innovation***

##### *Advanced Metallic Materials*

- **200+W/mK High-Thermal-Conductivity Aluminum Alloy:** The high-thermal-conductivity die-cast aluminum alloy currently used in data centers has a thermal conductivity of 155–175 W/mK. As device power consumption increases, demand for materials with higher thermal conductivity grows. Accordingly, we have replaced the conventional material with a die-cast aluminum alloy with high-thermal-conductivity of over 200 W/mK. According to Frost & Sullivan, this is the highest-thermal-conductivity die-cast aluminum alloy material used in commercial application;
- **Anodizable High-Strength Aluminum Powder for 3D Printing:** We have successfully developed anodizable high-strength aluminum powder for 3D printing. By optimizing the design of the reinforcing and flow phases in the powder formulation, we have resolved the conflicts between printability (low tendency for thermal cracking and high flowability) and surface treatment compatibility (low impurities and homogeneous microstructure). At the same time, we have significantly enhanced the material's strength (yield strength >500 MPa), providing customers with a new solution for additive manufacturing high-strength anodizable aluminum alloys;

##### *Advanced Non-metallic Materials*

- **Low-Dielectric Solder Joint Protection UV Adhesive:** Solder joint protection UV adhesives enhance product reliability by encapsulating solder points. Conventional UV adhesives used for data centers have a Dk value of around 3.0, which significantly reduces solder joint impedance in high-frequency applications. Our innovative UV adhesive, with a Dk value of below 2.1, effectively improves solder joint impedance and signal integrity of products; and

##### *Advanced Composite Materials*

- **Diamond-copper/aluminum Material:** Among metallic materials, silver exhibits the highest thermal conductivity (429 W/mK), followed by copper (400 W/mK). Carbon-based metal composites represent the most effective pathway to surpass the thermal conductivity limits of pure metals. Diamond-copper/aluminum materials significantly enhance thermal conductivity while maintaining excellent overall performance, with adjustable thermal conductivity ranging from 500–950 W/mK. We have innovatively introduced high-thermal-conductivity diamond-copper/aluminum materials with thermal conductivity of more than double that of copper. According to Frost & Sullivan, it is the highest-thermal-conductivity material in commercial application; and

### ***Manufacturing Process***

We master over 260 manufacturing processes. We continuously break through process bottlenecks, address persistent industry challenges, and consistently bring new technologies and product designs to mass production. The following are some of our representative innovative manufacturing processes:

#### ***3D Printing Selective Laser Melting (SLM) Technology***

3D printing additive manufacturing technology has gained increasing popularity in recent years due to its rapid prototyping, diverse material options, high material utilization, and the ability to produce complex geometric structures with internal cavities or hollow features which traditional processes cannot achieve. We have successfully developed high-performance localized equipment suitable for consumer electronics in collaboration with a well-known domestic laser manufacturer. This equipment integrates four laser heads within a single machine, with a working area of 260mm x 260mm, featuring highly integrated and fully automated production line. This includes multiple 3D printing machines, automatic loading and unloading mechanism, automatic powder recovery system, and automatic powder cleaning equipment. The entire system occupies only half the space of traditional designs, reduces labor by 80%, and lowers costs by over 30%.

#### ***Automated Solder-Feeding Laser Welding Process***

We developed an automated solder-feeding laser welding process. Our laser welding system employs high-precision machine vision positioning technology, utilizing a multispectral imaging system to capture product reference features in real time, achieving sub-pixel-level positioning accuracy. The system integrates a servo-controlled automated solder-feeding mechanism with a kilowatt-class fiber laser system, enabled by an industrial-grade intelligent control platform. It can achieve intelligent solder feeding control, precise energy modulation and non-contact welding. According to Frost & Sullivan, we are one of the world's first to industrialize fully automated solder-feeding laser welding, placing us significantly ahead of most industry peers.

#### ***High-Speed, Ultra-Thin, Waterproof USB-C Modular Automated Process***

Our automated process for high-speed, ultra-thin, waterproof USB-C modules delivers one of the industry's slimmest and most compact products with high corrosion resistance, high-current capacity and high-speed data transmission, according to Frost & Sullivan. The mold stage incorporates a four-step inset-molding process, utilizing metal terminals of varying thicknesses for injection molding to ensure minimal profile while meeting IPX8 waterproofing and 10A high-current requirements. Our fully modularized, customized automation process introduces a novel "plasma treatment technology," resolving long-standing challenges such as low secondary adhesive-dispensing yield and unstable waterproof sealing. This elevates dispensing yield to over 99%. We further developed an AI-powered charge-coupled device (CCD) automated inspection process, enabling autonomous detection of cosmetic defects and full replacement of manual visual inspection. According to Frost & Sullivan, this process yields one of the thinnest and lightest USB-C connectors in the industry, demonstrating our industry-leading capabilities in product design, mold development, and manufacturing process.

### ***Testing Technology***

#### ***Deep Learning Industrial Quality Automated Optical Inspection (AOI)***

Traditional machine vision quality AOI relies on preset rules and fixed thresholds. When faced with complex and variable product appearance defects, such as scratches, stains and assembly flaws, this approach suffers from high miss rates, high false positives and complicated debugging, with difficulty adapting to new products or defects. These issues severely constrain production efficiency and yield improvement.

We have integrated deep learning technology to create a new generation of intelligent industrial quality AOI system. Based on a vast defect sample library and our proprietary small sample learning and semi-supervised learning algorithms, we have trained highly precise and robust visual inspection models. Coupled with high-performance edge computing hardware and intelligent scheduling algorithms, we achieve millisecond-level real-time online detection.

In addition, we have developed a graphical model iteration platform that enables production line engineers to quickly update models to meet new requirements. This system can increase the detection rate of complex appearance defects to over 95%, reduce the miss rate to less than 2%, and decrease false positives to less than 15%. The time required to configure the logic for testing new product introductions is shortened by over 80%, and the demand for quality inspection personnel has been reduced by 70%, significantly improving the level of intelligent production and customers' competitive edge in quality.

### **Our R&D Investments**

We have invested substantially in our R&D technology. Our R&D expenses amounted to RMB8,188.8 million, RMB8,556.0 million and RMB11,428.0 million in 2023, 2024 and 2025, respectively. A significant portion of our R&D spending is dedicated to pioneering foundational materials, processes, and other cutting-edge technologies. As of December 31, 2025, we owned 9,367 patents, including 2,540 invention patents.

### **R&D Centers and Laboratories**

#### ***Our In-house R&D Centers and Testing Laboratories***

As of December 31, 2025, we had 28 in-house R&D centers globally, 16 of which were located in Chinese Mainland. Our in-house R&D centers possess the technology and equipment for the entire product lifecycle from design, development and prototype testing to mass production and delivery. Supported by our professional R&D team, advanced testing equipment, and extensive industry experience, we provide comprehensive, professional, and reliable testing and certification support, empowering product quality improvement and commercial success.

As of December 31, 2025, we had 94 testing laboratories, including eight that are accredited by China National Accreditation Service for Conformity Assessment (CNAS) and certified by ISO/IEC 17025:2017. We leverage our laboratories' capabilities to deeply simulate real world environments and comprehensively assess product hardware and software compatibility, ensuring an exceptional user experience from the outset. In the product design phase, we offer one-stop performance and safety validation services, which reinforce product quality and safety defense. For high-speed transmission applications like HDMI, USB, and DP, we possess professional signal integrity testing capabilities. Collaborating with authoritative testing institutions, we streamline industry compliance processes, shortening certification timelines and accelerating market readiness for our clients.

These testing laboratories possess a comprehensive range of testing equipment to ensure the products and solutions we provide to customers are impeccable in terms of quality. Our specialties include chemical and material reliability testing, environmental testing, mechanical testing, electrical testing and lifetime testing.

#### ***Our Collaborative R&D and Testing Laboratories***

We collaborate with a number of well-established industry partners and academic institutions, and participate in provincial and municipal R&D initiatives, focusing on the R&D of next generation technologies. The ownership of intellectual properties for the joint R&D results is determined on a case-by-case basis. For joint R&D projects with our customers, the intellectual properties for the R&D results usually belong to such customers. For collaborative R&D with academic institutions, we usually own the intellectual properties for the R&D results. For each year of the Track Record Period, our expenses on collaborative R&D accounted for less than 1% of our total R&D expenses.

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## BUSINESS

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We have established strategic partnerships with several top domestic and international laboratories. By integrating global quality testing resources, we provide internationally recognized testing and certification services, ensuring product compliance and market competitiveness. Together with industry leaders, we achieve breakthroughs in new materials and processes, accelerating technological advancements and commercialization.

### R&D Process

Our simplified R&D process is as follows:

- **Feasibility:** In this critical first phase, we engage in brainstorming sessions to explore innovative concepts, conduct in-depth market research, and formulate strategic approaches. We evaluate market demands, establish high-level timelines, and align our capabilities with project objectives. We may also develop a comprehensive feasibility charter, incorporating preliminary return on investment projections, budgetary frameworks, key milestone targets, and proactive risk assessment to ensure a solid foundation for success;
- **Planning:** With a clear roadmap in place, we transition to meticulous planning, crafting detailed program blueprints, engineering prototypes, and refining precise product specifications. Rigorous design verification and reliability testing commence at this stage, including initial functional and durability assessments, ensuring seamless progression to development;
- **Development:** We finalize the design, and execution begins with comprehensive validation and testing. Every component undergoes stringent evaluation to meet performance, quality and reliability benchmarks before advancing to production readiness;
- **Ramp-up:** Full-scale product validation begins, including design verification testing, selective engineering validation testing, and targeted production trials to ensure manufacturability and consistency before mass production; and
- **Mass Production:** New product introduction transitions into stabilized manufacturing, supported by stringent process controls and ongoing reliability testing to maintain uncompromising quality throughout the production lifecycle.

### MANUFACTURING

#### Intelligent Manufacturing

Based on our understanding of precision manufacturing and continued investment in innovation, we have developed a digital manufacturing ecosystem featuring deep human-machine collaboration, supported by our self-developed automated factory system. We integrate industrial robots, data collection and analytics, AI algorithms, and digital twin technology across R&D, manufacturing, supply chain management, and quality control, achieving a highly intelligent production model.

The following images illustrate our intelligent production facilities:



### ***Development History of Intelligent Manufacturing***

Our intelligent manufacturing capabilities have evolved through four stages.

#### ***First Stage: Basic Automation (2012–2020)***

We established basic automation at an early stage to reduce manual labor and improve production efficiency, laying the foundation for our intelligent manufacturing.

#### ***Second Stage: Digital Automation (2020–2022)***

We deployed digital systems such as ERP, PLM, and MES to connect and deeply mine data related to personnel, resources, manufacturing and operations, and built fully automated production lines supported by autonomous mobile robots (“AMR”). This stage focused on cost reduction and efficiency enhancement through system integration.

#### ***Third Stage: Intelligent Automation (2022–Present)***

We established an intelligent closed-loop system for data auto-collection, auto-analysis, auto-decision-making, auto-execution, and auto-repair, enabling automated production adjustments and process optimization. We have implemented such system on some of our production lines, and will roll it out across our production lines progressively.

#### ***Fourth Stage: Systemic Automation (2024–Present)***

We developed factory-level automation systems tailored to specific production sites and established a lights-out factory at our Kunshan production base, achieving end-to-end automated operations.

### ***Self-developed Automation and Equipment Engineering Capabilities***

Unlike traditional manufacturing companies that rely on third-party equipment suppliers for procurement solutions, we embrace in-house R&D throughout the entire chain of core automation systems. We have a team of over 1,000 automation engineers covering various professional fields, including structure, control systems, algorithm development, visual technology, software and hardware development, and automation equipment manufacturing. This enables us to have complete self-developing and equipment engineering capabilities.

We have developed proprietary platforms covering AI-based inspection, intelligent scheduling, predictive maintenance and quality monitoring, enabling integrated intelligent manufacturing across the full production cycle.

### ***Generalized Intelligent Manufacturing Database Based on Diverse Processes***

Our expertise extends across consumer electronics, automotive electronics, communication and data centers, and other end markets. With extensive experience in mass-producing components and modules, we have built a vast and growing database of product technologies and manufacturing processes. This enables us to rapidly adapt and replicate existing models for new projects, significantly shortening development cycles while integrating cross-disciplinary innovations. This capability not only accelerates customer prototyping and mass production for existing products, but also empowers them to break through technical and process bottlenecks in product iterations and cutting-edge applications. It positions us as an indispensable partner in supporting diverse product portfolios, responding swiftly to customized demands, and addressing industry pain points.



### *Application of Intelligent Tools*

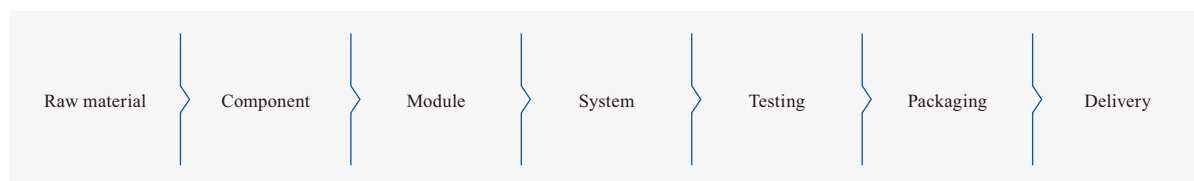
We utilize various intelligent tools in our intelligent manufacturing process, including the following:

- **Digital Twin:** We leverage digital twin technology for bidirectional mapping between physical production lines and virtual models. By simulating and validating the design of new products and the planning of manufacturing processes in a virtual environment, we can preemptively identify and resolve potential issues, shortening product development cycles and ramp-up periods. In addition, the digital twin technology enables the monitoring of physical production lines, paving the way for a future where “local innovation, global fulfillment” becomes a streamlined reality; and
- **Precision Manufacturing Operations Management (MOM) Platform:** Designed based on a modular architecture, our MOM platform integrates intelligent manufacturing execution systems, quality management tools, and intelligent asset management systems. It comprehensively optimizes production operations, workforce coordination, and safety protocols, driving the evolution of intelligent manufacturing.

### **Manufacturing Process and Capabilities**

Our manufacturing process forms a closed-loop system comprising seven major stages, from manufacturing components and modules, system integration, to testing, packaging and delivery. By selecting quality materials, utilizing high-precision machining, ensuring reliable manufacturing processes, and implementing comprehensive automated testing technologies, we achieve stable product yield in high-power and high-frequency environments. With this end-to-end processing capability, we can produce core components that meet the stringent requirements of our customers, establishing a competitive advantage in technology and quality in the global PIMS industry.

The main stages of our manufacturing process are as follows:



### **Production Capacity and Utilization**

#### *Production Base*

As of December 31, 2025, we had 105 production bases around the globe, comprising 69 in China (including Chinese Mainland, Hong Kong and Taiwan), nine in Mexico, four in Vietnam, three in Romania, two each in Poland and Slovakia, and one each in Malaysia, the Philippines, Thailand, Japan, India, Singapore, Germany, Czechia, Portugal, Serbia, Türkiye, Ukraine (excluding the Crimea, Kherson, Luhansk, Donetsk and Zaporizhzhia regions), Hungary, Paraguay, Egypt and Tunisia. Most of our production bases are located in our owned properties.

In China, we have established manufacturing bases in Guangdong, Jiangxi, Fujian, Hubei, Jiangsu, Zhejiang, Anhui, Hebei, Shaanxi, Sichuan and Yunnan, among others, effectively integrating the local complete industrial chain supporting resources and high-quality talent reserves, forming a high-tech base for precision manufacturing. Across Southeast and South Asia, our Vietnam, Philippines, Thailand, Malaysia and India operations capitalize on competitive labor advantages and favorable policies, delivering cost-efficient production without compromising quality. This strategic positioning enables us to offer exceptional value while maintaining rigorous quality standards. Our European, the Americas

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and North African manufacturing bases create a responsive regional manufacturing network. This proximity to key markets ensures rapid customer response times, shortened delivery cycles, and enhanced market agility.

Our interconnected global production network represents more than just geographic coverage. It is a strategic advantage that delivers reliability and responsiveness to partners worldwide. The “local innovation, global fulfillment” approach enables us to flexibly allocate resources and provide customized solutions tailored to different markets and customer characteristics. It also significantly reduces risks associated with current international geopolitical uncertainties, positioning us as a comprehensive and capable partner for top-tier customers globally.

### ***Production Capacity, Volume and Utilization Rate***

The following table illustrates the maximum production capacity, production volume and utilization rate of our production bases by business line for the years indicated:

|                                     |                  | Year Ended December 31,        |                                                 |                                    |                                |                                                 |                                    |                                |                                                 |                                    |
|-------------------------------------|------------------|--------------------------------|-------------------------------------------------|------------------------------------|--------------------------------|-------------------------------------------------|------------------------------------|--------------------------------|-------------------------------------------------|------------------------------------|
|                                     |                  | 2023                           |                                                 |                                    | 2024                           |                                                 |                                    | 2025                           |                                                 |                                    |
|                                     | Unit             | Production<br>Volume<br>(000') | Production<br>Capacity <sup>(1)</sup><br>(000') | Utilization<br>Rate <sup>(2)</sup> | Production<br>Volume<br>(000') | Production<br>Capacity <sup>(1)</sup><br>(000') | Utilization<br>Rate <sup>(2)</sup> | Production<br>Volume<br>(000') | Production<br>Capacity <sup>(1)</sup><br>(000') | Utilization<br>Rate <sup>(2)</sup> |
| Consumer electronics . . . . .      | piece/set        | 4,718,756                      | 5,653,984                                       | 83.5%                              | 7,900,088                      | 9,501,439                                       | 83.2%                              | 8,071,374                      | 9,691,881                                       | 83.3%                              |
| Automotive electronics. . . . .     | piece/set        | 315,470                        | 395,049                                         | 79.9%                              | 329,753                        | 374,669                                         | 88.0%                              | 621,118                        | 690,366                                         | 90.0%                              |
| Communication and data center . . . | piece/set        | 287,729                        | 353,379                                         | 81.4%                              | 468,716                        | 532,265                                         | 88.1%                              | 563,171                        | 610,332                                         | 92.3%                              |
| Others . . . . .                    | piece/set        | 386,291                        | 456,640                                         | 84.6%                              | 423,508                        | 431,903                                         | 98.1%                              | 426,644                        | 450,341                                         | 94.7%                              |
| <b>Total/Overall. . . . .</b>       | <b>piece/set</b> | <b>5,708,246</b>               | <b>6,859,051</b>                                | <b>83.2%</b>                       | <b>9,122,065</b>               | <b>10,840,276</b>                               | <b>83.8%</b>                       | <b>9,682,306</b>               | <b>11,442,920</b>                               | <b>85.0%</b>                       |

#### ***Notes:***

- (1) Production capacity is calculated by multiplying the hourly production rate by the number of working hours per day and the total number of working days for each year. Production capacity is calculated based on the assumptions that all our production lines and equipment operate (i) eight hours a day, and (ii) for the number of actual work days for the relevant year, which is 283 days, 287 days and 288 days in 2023, 2024 and 2025, respectively.
- (2) Utilization rate is calculated as dividing production volume by the production capacity for the same years.

The same factory and production line may manufacture different components, modules and systems within the same business segment. The down time required for the switch typically ranges from 30 minutes to three days.

During the Track Record Period, our production capacity utilization rate for automotive electronics business increased from 79.9% in 2023 to 88.0% in 2024, primarily due to the steady growth of our automotive electronics business and increasing customer orders.

We plan to further increase our production capacity and upgrade our production bases, expanding our distributed manufacturing network, enhancing our global service capabilities, and increasing the automation level of our production lines. For details, see “Future Plans and Use of Proceeds.”

### **AWARDS AND RECOGNITION**

The following table sets out a summary of the major awards and recognition we have received as of the Latest Practicable Date.

| Award or Recognition                                         | Year | Issuing Authority                                                |
|--------------------------------------------------------------|------|------------------------------------------------------------------|
| Technologically Advanced Little Giant<br>(專精特新小巨人) . . . . . | 2023 | State Ministry of Industry and Information<br>Technology (國家工信部) |

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| Award or Recognition                                                              | Year | Issuing Authority                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National Enterprise Technology Center<br>(國家級企業技術中心) . . . . .                    | 2023 | National Development and Reform Commission (中華人民共和國國家發展和改革委員會), Ministry of Science and Technology (中華人民共和國科學技術部), Ministry of Finance (中華人民共和國財政部), General Administration of Customs (中華人民共和國海關總署), and State Administration of Taxation (國家稅務總局) |
| National Intellectual Property Advantageous Enterprises<br>(國家知識產權優勢企業) . . . . . | 2023 | State Intellectual Property Office (國家知識產權局)                                                                                                                                                                                                        |
| Advanced-level Intelligent Factory (先進級智能工廠). . .                                 | 2025 | Industry and Information Technology Department of Jiangsu (江蘇省工業和信息化廳)                                                                                                                                                                              |
| Guangdong Engineering Technology Research Center<br>(廣東省工程技術研究中心). . . . .        | 2022 | Guangdong Province Department of Science and Technology (廣東省科技廳)                                                                                                                                                                                    |
| Anhui Province Intelligent Factory (安徽省智能工廠). . .                                 | 2022 | Economy and Information Department of Jiangsu (安徽省經濟和信息化廳)                                                                                                                                                                                          |

### OUR CUSTOMERS

Our customers are located worldwide, and we have maintained cooperation with leading customers for many years. We serve the most valuable customers in the market through our advanced technological capabilities, mutually selecting and achieving success with diverse top-tier clients. We are the supplier with the most comprehensive product categories for our core clients and engage deeply in the product development process from the design stage, efficiently and proactively addressing customer needs. During the Track Record Period, we derived all our revenue from direct sales to customers.

Revenue generated from our five largest customers for each year during the Track Record Period was RMB191.2 billion, RMB211.0 billion and RMB216.2 billion in 2023, 2024 and 2025, respectively, accounting for 82.4%, 78.5% and 65.0%, respectively, of our total revenue in the same years. In addition, revenue generated from our largest customer in the same years was RMB174.5 billion, RMB190.1 billion and RMB188.4 billion, respectively, accounting for 75.2%, 70.7% and 56.7%, respectively, of our total revenue in the same years. We generally provided to our customers credit terms of 30 to 60 days.

To the best knowledge of our Directors, none of our Directors and their respective close associates or any of the Shareholders holding more than 5% of our Company's share capital as of the Latest Practicable Date has any interest in any of our five largest customers (other than Lizhen Business) during the Track Record Period. For details on Lizhen Business, please refer to the section headed "Relationship with our Controlling Shareholders—Delineation of Business" in this prospectus.

The following tables set forth the details of our five largest customers for each year during the Track Record Period:

#### *For the Year Ended December 31, 2023*

| Customer                            | Products/solutions sold to customer                           | Revenue     | % of our total revenue | Commencement year of business relationship |
|-------------------------------------|---------------------------------------------------------------|-------------|------------------------|--------------------------------------------|
|                                     |                                                               | (RMB'000)   |                        |                                            |
| Customer A/<br>Supplier A . . . . . | Consumer electronics products and solutions                   | 174,489,982 | 75.2                   | 2011                                       |
| Customer C/<br>Supplier B . . . . . | Consumer electronics and communication products and solutions | 6,031,671   | 2.6                    | 2011                                       |

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| Customer               | Products/solutions sold to customer                           | Revenue            | % of our total revenue | Commencement year of business relationship |
|------------------------|---------------------------------------------------------------|--------------------|------------------------|--------------------------------------------|
|                        |                                                               | (RMB'000)          |                        |                                            |
| Customer B . . . . .   | Consumer electronics and communication products and solutions | 4,877,559          | 2.1                    | 2004                                       |
| Customer E . . . . .   | Consumer electronics products and solutions                   | 3,219,652          | 1.4                    | 2016                                       |
| Customer D . . . . .   | Consumer electronics products and solutions                   | 2,584,840          | 1.1                    | 2012                                       |
| <b>Total . . . . .</b> |                                                               | <b>191,203,704</b> | <b>82.4</b>            |                                            |

### *For the Year Ended December 31, 2024*

| Customer                            | Products/solutions sold to customer                           | Revenue            | % of our total revenue | Commencement year of business relationship |
|-------------------------------------|---------------------------------------------------------------|--------------------|------------------------|--------------------------------------------|
|                                     |                                                               | (RMB'000)          |                        |                                            |
| Customer A/<br>Supplier A . . . . . | Consumer electronics and communication products and solutions | 190,138,937        | 70.7                   | 2011                                       |
| Customer C/<br>Supplier B . . . . . | Consumer electronics and communication products and solutions | 6,130,651          | 2.3                    | 2011                                       |
| Customer F/<br>Supplier G . . . . . | Consumer electronics products and solutions                   | 5,704,571          | 2.1                    | 2024                                       |
| Customer B . . . . .                | Consumer electronics and communication products and solutions | 5,493,571          | 2.0                    | 2004                                       |
| Customer E . . . . .                | Consumer electronics products and solutions                   | 3,555,806          | 1.3                    | 2016                                       |
| <b>Total . . . . .</b>              |                                                               | <b>211,023,536</b> | <b>78.5</b>            |                                            |

### *For the Year Ended December 31, 2025*

| Customer                            | Products/solutions sold to customer                           | Revenue            | % of our total revenue | Commencement year of business relationship |
|-------------------------------------|---------------------------------------------------------------|--------------------|------------------------|--------------------------------------------|
|                                     |                                                               | (RMB'000)          |                        |                                            |
| Customer A/<br>Supplier A . . . . . | Consumer electronics and communication products and solutions | 188,381,235        | 56.7                   | 2011                                       |
| Customer F/<br>Supplier G . . . . . | Consumer electronics products and solutions                   | 9,495,827          | 2.9                    | 2024                                       |
| Lizhen Business . . . .             | Consumer electronics products and solutions                   | 7,078,194          | 2.1                    | 2021                                       |
| Customer C/<br>Supplier B . . . . . | Consumer electronics and communication products and solutions | 5,758,936          | 1.7                    | 2011                                       |
| Customer B . . . . .                | Consumer electronics and communication products and solutions | 5,456,499          | 1.6                    | 2004                                       |
| <b>Total . . . . .</b>              |                                                               | <b>216,170,690</b> | <b>65.0</b>            |                                            |

#### *Notes:*

- (1) Customer A/Supplier A is a leading global consumer electronics brand company, headquartered in the US with multinational operations, listed on the NASDAQ.
- (2) Customer B is a company engaged in the manufacture of electronic hardware related to consumer electronics, headquartered in Taiwan, China with massive global operations, listed on the Taiwan Stock Exchange.
- (3) Customer C/Supplier B is a company engaged in the development and sale of information and communication technology infrastructure and personal smart terminals, headquartered in the Chinese Mainland with multinational operations, privately held.
- (4) Customer D is a company engaged in the manufacture of consumer electronics terminals and data center hardware, headquartered in Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.

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- (5) Customer E is a company engaged in acoustic components and electroacoustic products, headquartered in Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.
- (6) Customer F/Supplier G is a company engaged in radio frequency solutions and semiconductor devices, headquartered in the US with multinational operations, listed on the NASDAQ.

### Key Terms of Contracts with Our Customers

We generally enter into framework agreements with our key customers. Actual sales are confirmed through sales agreements or purchase orders entered into with customers from time to time. We do not have any exclusivity arrangement with our customers. The salient terms of the framework sales agreement are as follows:

|                               |   |                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Duration                      | : | Generally ranges between one year to three years. Some of these framework agreements do not have fixed terms. These agreements are typically automatically renewed.                                                                                                                                                 |
| 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 of 30 to 60 days.                                                                                                                                                                                              |
| Minimum purchase requirements | : | Our framework agreements with our customers usually do not contain minimum purchase requirements.                                                                                                                                                                                                                   |
| Logistics                     | : | We are generally responsible for delivering products to locations specified by our customers.                                                                                                                                                                                                                       |
| Returns/exchanges             | : | Our customers will inspect the products upon delivery and are generally entitled to return or exchange products that do not meet their requirements in terms of quality or specifications. We generally do not otherwise accept product returns or exchanges once the products have been accepted by our customers. |
| Confidentiality               | : | These framework agreements usually have strict confidentiality provisions that restrict us from disclosing confidential information of our customer.                                                                                                                                                                |
| Termination                   | : | These framework agreements can be terminated with mutual agreement of parties and under certain circumstances such as force majeure or bankruptcy of a party.                                                                                                                                                       |

### Relationship with Customer A / Supplier A

We have established a long-term and stable relationship with Customer A / Supplier A. During the Track Record Period, we primarily provided Customer A / Supplier A with products and solutions for its consumer electronic products. Our revenue generated from sales to Customer A / Supplier A was RMB174.5 billion, RMB190.1 billion and RMB188.4 billion in 2023, 2024 and 2025, respectively, accounting for 75.2%, 70.7% and 56.7%, of our total revenue for the corresponding years, respectively. According to Frost & Sullivan, the consumer electronics market is highly concentrated, particularly among top-tier brands that command a large share of global shipments. As such, it is common for providers of consumer electronics products and solutions, such as us, to have a concentrated customer base.

Our Directors are of the view that the likelihood of any material adverse change in our business relationship with Customer A / Supplier A is low, because our cooperation is a mutual choice, and such relationship is long-term and mutually beneficial.

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Having considered the Directors' view on the business relationship with Customer A / Supplier A above and based on the due diligence work performed by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors that would reasonably cause them to cast doubt on the Directors' view on the business relationship with Customer A / Supplier A in any material respect. For us, Customer A / Supplier A is a prestigious customer, a significant source of revenue and an important driver for our technological advancements and improvements in our process capability. For Customer A / Supplier A, we provide the following values that cement our position as an indispensable partner:

- **Advanced R&D and Technical Expertise:** we have dedicated engineering teams focused on Customer A / Supplier A's products. We co-develop products with Customer A / Supplier A leveraging our expertise on components, modules, system integration and manufacturing processes;
- **Our Quick Response Capabilities:** our technical support teams are on standby 24/7 to address any *ad hoc* needs and critical situations. We consistently address Customer A / Supplier A's *ad hoc* requests and needs in a timely fashion, which is a testament of our acute sensitivity and responsiveness to its pressing concerns and our capability and experience in tackling technological and practical challenges. We also offer agile prototyping and NPI processes that can effectively reduce the time-to-market;
- **Global Manufacturing Network with Flexible Capacity Allocation:** we have production facilities strategically distributed across three continents. Through our global manufacturing network and local-for-local strategy, we are able to dynamically shift our capacity between regions to ensure timely delivery and mitigate geopolitical risks;
- **Comprehensive Product Portfolio:** we provide vertically integrated solutions covering components, modules and system integration. Our vertical integration effectively reduces total system cost; and
- **Uncompromising Quality Assurance:** we are able to meet the strict requirements of Customer A / Supplier A, including lengthy and rigorous supplier approval procedures, stringent quality requirements, and strict requirements on various aspects of the supplier's business operations such as ESG compliance and corporate governance.

Our relationship with Customer A / Supplier A is long-term and stable. Our cooperation is conducted on normal commercial terms and is the result of arm's length negotiations. Since the commencement of our cooperation in 2011, for more than a decade there have been no instances of early termination of contracts by Customer A / Supplier A, no reduction, delay or cancelation of orders by Customer A / Supplier A, and no disputes or conflicts between us.

During the Track Record Period, revenue from Customer A / Supplier A as a percentage of our revenue decreased significantly, from 75.2% in 2023 to 56.7% in 2025. This is primarily due to our efforts in (i) expanding our customer base, (ii) diversifying our product and solution portfolio and (iii) enhancing our vertical integration, which enables us to diversify our customer base and revenue sources, thereby mitigating our reliance on any single customer. In particular, our automotive electronics, and communication and data center business lines grew fast during the Track Record Period. Revenue from our automotive electronics, and communication and data center business lines increased at a CAGR of 106.0% and 30.0% from 2023 to 2025, respectively, faster than our overall revenue growth. While we expect Customer A / Supplier A to remain as our largest customer in the foreseeable future, we expect the revenue from Customer A / Supplier A as a percentage of our total revenue to continue to decrease.

In addition, during the Track Record Period, we procured certain components used in consumer electronic products from Customer A / Supplier A. Purchases from Customer A / Supplier A amounted to RMB109.5 billion, RMB117.9 billion and RMB113.9 billion in 2023, 2024 and 2025, respectively, representing 61.9%, 56.0% and 45.7% of our total purchases for the corresponding years, respectively. This is commonly referred to in the industry as the buy-and-sell model, where certain of our major customers require their suppliers, including us, to purchase raw materials and components manufactured



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or procured from themselves to exert overall control over the procurement process. According to Frost & Sullivan, the buy-and-sell model is a common practice in the consumer electronics industry. This model stems not only from the demand for vertical integration of the industrial chain but is also driven by technological collaboration and market competition. For details, see “—Our Suppliers—Overlapping Customers and Suppliers.”

### PRICING POLICY

We generally adopt a technology premium-oriented pricing strategy. Our pricing strategy generally considers four core elements: (i) the base cost of the product, including materials, labor, and manufacturing costs; (ii) value added technology, including number of proprietary patents applied in the product and its performance advantages against its peers; (iii) market factors, including strategic value to customers and the competitive landscape, for example regional differences in customer demand; and (iv) utilization of AI and big data to monitor market dynamics real time, establishing an agile pricing adjustment mechanism to ensure our pricing strategies in sync with industry trends and market reality.

We review our pricing strategy on a quarterly basis, with adjustments made by inter-departmental committee to ensure timely responses to fluctuations in raw material costs and market competition. We usually apply a high premium strategy during the new product introduction phase. All pricing decisions retain complete cost accounting records, in compliance with our internal policy requirements.

Our increased customer loyalty since our inception has enhanced our overall capabilities, including product precision, range of products we provide, and responsiveness to our customers. This has positioned us as an important supplier. We are able to provide significant value in innovation during the early stages of development, which gives us strong bargaining and pricing power. By implementing the pricing strategies, we maximize the value of our products and achieve sustainable profitability amidst technological evolution and intensified market competition.

### CREDIT CONTROL POLICY

We adopt a stringent credit control policy on our trade receivables. We have a dedicated credit management team to ensure reasonable credit limits based on customers' financial condition, and conduct continuous analysis and monitoring, and issue early warnings internally as soon as potential risks are detected, so as to take risk control measures in a timely manner and safeguard the sound operation of the business.

We also grant credit periods to certain customers. Factors to be taken into account for granting such credit terms include, among others, the business scale, credit worthiness, the length of business relationship as well as potential business opportunities with our customers. During the Track Record Period, we have generally granted credit terms of 30 to 60 days. Our trade and note receivables turnover days are 40 days, 38 days and 45 days in 2023, 2024 and 2025, respectively.

For the purpose of risk management, we maintain export credit insurance policies to lower our credit risk. The export credit insurance purchased by us is mainly used to cover the credit risk associated with our customers' payment.

### PRODUCT RETURN AND WARRANTY

We work closely with our customers to address any quality concerns related to our products, ensuring a fast and satisfactory response to any issues that may arise.

Currently, our products are primarily sold to businesses. We provide warranty for the quality and functionality of our products to our customers, typically for a period of 18 to 36 months. In our daily operations, we encounter sporadic returns. In the event that our customers request a product return, we promptly assess the issue, determine whether we are responsible for the issue, and address the issue based on the specific needs of our customer. If the issue is due to a manufacturing defect on our part, we will repair the product or provide a replacement to the customer, along with a comprehensive

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analysis report for review to prevent similar issues in the future. For issues we are not responsible for, we make a separate quotation to our customers to resolve the issue. All re-packaging and testing will be conducted according to the same standards as for new product shipments.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return and nor had we received any material complaints regarding our products. Our Directors consider that the quality of our products is generally stable and no provision for product return had been made during the Track Record Period.

### SEASONALITY

We typically experience higher sales in the second half of the year. Specifically, demand for and sales of our consumer electronics products and solutions is affected by holiday seasons and consumer consumption habits. During peak seasons, such as the 618 and double 11 shopping festivals in China and Thanksgiving and Christmas in international markets, there is generally an increase in consumer consumption, which drives the demand for our products and solutions.

We implement measures to address seasonal fluctuations, such as focusing on technology research and customer certification during the off-peak season, establishing a flexible supply chain and increasing production capacity to ensure we meet customer demand during the peak seasons, implementing a strategic inventory management policy which ensures we maintain sufficient stock for critical materials. Through precise operational management, we have successfully achieved stable business growth throughout the year.

### SALES AND MARKETING

During the Track Record Period, we derived all our revenue from direct sales to customers. We believe direct sales is crucial to addressing customers' needs to deliver the best experience. We have established an extensive global sales network to maintain close contact with customers in consumer electronics, automotive electronics, communication and data centers and other industries, as well as to explore business opportunities with potential customers in these industries. Our marketing revolves around two key approaches:

- We continuously introduce new products to existing markets and customers. We enhance our presence in existing markets by uncovering demand for new product offerings for our established clientele; and
- We expand into new markets and fresh territories with our high-quality and proven products and solutions to diversify our customer base.

We adopt a diversified sales and 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.

### RAW MATERIALS AND SUPPLY CHAIN

We procure materials for the multiple business lines we operate, including (i) raw materials and components, and (ii) precision instruments and equipment. We employ a stringent selection criteria and regular evaluation for our suppliers, rating them based on business scale, product quality, production capacity, pricing, and both pre-sales and after-sales service capabilities. We also conduct on-site inspections of suppliers' production base and require them to provide product samples for our internal testing. If we identify any issues during the evaluation process, we communicate the issue with the supplier and require them to rectify the issue according to our standards. If a supplier fails to meet these standards, we may terminate our relationship with them.

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We place purchase orders based on our production plan, sales plan based on customer sales forecasts and orders and inventory level. Pricing is negotiated fairly with suppliers each time an order is placed. Our strategy is to build long-term partnerships with suppliers to enhance our bargaining power, to ensure priority access to their latest products, and maintain our inventory levels during times of market shortages. We have a sound inventory management system and procedures, conducting regular stock checks to ensure consistency between accounts and physical inventory. For details on our inventory management, see “—Inventory Management.”

To cope with supplier price fluctuations, we sign framework agreements with long-term suppliers to lock in prices and reduce costs by bulk purchasing. We also reduce our reliance on high-priced materials through the R&D of new materials and new processes.

### OUR SUPPLIERS

Purchases from our five largest suppliers for each year during the Track Record Period amounted to RMB115.3 billion, RMB131.2 billion and RMB132.0 billion in 2023, 2024 and 2025, respectively, representing 65.2%, 62.3% and 53.0% of our total purchases, respectively. In addition, the purchases from our largest supplier for the same years amounted to RMB109.5 billion, RMB117.9 billion and RMB113.9 billion, respectively, representing 61.9%, 56.0% and 45.7% of our total purchases for the corresponding years, respectively. To the best information and knowledge of our Directors, none of our Directors and their respective close associates or any of the Shareholders holding more than 5% of our Company’s share capital as of the Latest Practicable Date has any interest in any of our five largest suppliers during the Track Record Period. The credit terms for our trade payables are agreed upon with each supplier, which is up to 180 days.

The following tables set forth details of our five largest suppliers for each year during the Track Record Period:

#### *For the Year Ended December 31, 2023*

| Supplier                            | Main materials purchased                                                         | Purchase costs<br>(RMB'000) | % of our total purchases | Commencement year of business relationship |
|-------------------------------------|----------------------------------------------------------------------------------|-----------------------------|--------------------------|--------------------------------------------|
| Customer A/<br>Supplier A . . . . . | PCBs, screens and chips                                                          | 109,487,265                 | 61.9                     | 2011                                       |
| Customer C/<br>Supplier B . . . . . | Fan components, server rack accessories,<br>conductors and circuit breakers      | 1,506,824                   | 0.9                      | 2011                                       |
| Supplier E. . . . .                 | Integrated circuits, micro-controllers, diodes<br>and memories                   | 1,463,571                   | 0.8                      | 2017                                       |
| Supplier F. . . . .                 | Acoustic components, such as speakers                                            | 1,438,334                   | 0.8                      | 2019                                       |
| Supplier C. . . . .                 | Metal structural components, such as metal<br>casing tubes and concentric shafts | 1,379,788                   | 0.8                      | 2018                                       |
| <b>Total . . . . .</b>              |                                                                                  | <b>115,275,782</b>          | <b>65.2</b>              |                                            |

#### *For the Year Ended December 31, 2024*

| Supplier                            | Main materials purchased                                                         | Purchase costs<br>(RMB'000) | % of our total purchases | Commencement year of business relationship |
|-------------------------------------|----------------------------------------------------------------------------------|-----------------------------|--------------------------|--------------------------------------------|
| Customer A/<br>Supplier A . . . . . | PCBs, screens and chips                                                          | 117,903,199                 | 56.0                     | 2011                                       |
| Customer F/<br>Supplier G . . . . . | RF devices, such as RF integrated circuits and<br>analog chips                   | 7,252,151                   | 3.4                      | 2024                                       |
| Supplier C. . . . .                 | Metal structural components, such as metal<br>casing tubes and concentric shafts | 2,621,683                   | 1.2                      | 2018                                       |

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| Supplier               | Main materials purchased                                                 | Purchase costs<br>(RMB'000) | % of our total purchases | Commencement year of business relationship |
|------------------------|--------------------------------------------------------------------------|-----------------------------|--------------------------|--------------------------------------------|
| Supplier H . . . . .   | Integrated circuits, micro-controllers, diodes and memories              | 2,051,313                   | 1.0                      | 2017                                       |
| Supplier I . . . . .   | Passive electronic components, such as capacitors, inductors and filters | 1,415,342                   | 0.7                      | 2018                                       |
| <b>Total . . . . .</b> |                                                                          | <b>131,243,688</b>          | <b>62.3</b>              |                                            |

### *For the Year Ended December 31, 2025*

| Supplier                            | Main materials purchased                                                     | Purchase costs<br>(RMB'000) | % of our total purchases | Commencement year of business relationship |
|-------------------------------------|------------------------------------------------------------------------------|-----------------------------|--------------------------|--------------------------------------------|
| Customer A/<br>Supplier A . . . . . | PCBs, screens and chips                                                      | 113,854,244                 | 45.7                     | 2011                                       |
| Customer F/<br>Supplier G . . . . . | Electronic components                                                        | 9,368,704                   | 3.8                      | 2024                                       |
| Supplier J . . . . .                | Key components including data center server chips and interconnect           | 3,270,620                   | 1.3                      | 2014                                       |
| Supplier K . . . . .                | PCBA and digital communication systems and modules                           | 2,960,793                   | 1.2                      | 2017                                       |
| Supplier L . . . . .                | Metal and structural components and plastic die-cut and functional materials | 2,546,387                   | 1.0                      | 2018                                       |
| <b>Total . . . . .</b>              |                                                                              | <b>132,000,748</b>          | <b>53.0</b>              |                                            |

#### *Notes:*

- (1) Supplier C is a company engaged in the manufacture of precision structural parts and molds, headquartered in Hong Kong China with multinational operations, privately held.
- (2) Supplier E is a company engaged in electronic component distribution and technical services, headquartered in Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.
- (3) Supplier F is a company engaged in the R&D and manufacture of acoustic, optical, precision components, and smart hardware, headquartered in the Chinese Mainland with multinational operations, listed on the Shenzhen Stock Exchange.
- (4) Supplier H is a company engaged in electronic component distribution and technical services, headquartered in Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.
- (5) Supplier I is a company engaged in electronic component R&D and manufacturing, headquartered in Japan with multinational operations, listed on the Tokyo Stock Exchange.
- (6) Supplier J is a company engaged in e-commerce, financial technology, cloud computing and logistics, headquartered in the Chinese Mainland with multinational operations, listed on the New York Stock Exchange and the Stock Exchange.
- (7) Supplier K is a company engaged in the development, manufacturing and sales of personal computers, laptops, and other digital products, headquartered in the Chinese Mainland with multinational operations, listed on the Stock Exchange.
- (8) Supplier L is a company engaged in the manufacturing and sales of precision components and modules, headquartered in the Chinese Mainland with multinational operations, listed on the Shenzhen Stock Exchange.

### **Key Terms with Our Suppliers**

We enter into procurement framework agreements with certain of our suppliers. We do not have exclusivity arrangements with our suppliers. The terms of the agreements vary depending on the result of our negotiation with each supplier, but these agreements typically include the following terms:

- 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, and is not higher than the reasonable market price of the subject matter.

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|                          |   |                                                                                                                                                                                                                      |
|--------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 two years from the day after our acceptance of delivery.                                                                                                                                      |
| Confidentiality          | : | The supplier is obliged to keep confidential any documents and electronic files provided by us, including 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.                                                                    |

The key terms above apply to both our domestic and overseas suppliers. We apply the same quality protocol to procurement from domestic and overseas suppliers, and therefore supplier locations do not affect our product quality. Our typical contract with suppliers includes a provision, pursuant to which the supplier guarantees the transaction price is not higher than the lowest price offered to any third party, and is not higher than the reasonable market price of the subject matter. Some of our major customers, such as Customer A, designate suppliers for certain components used in products sold to them, which is known as the “buy-and-sell” model. Our pricing for sales to such customers includes an agreed “markup” on top of our procurement cost, despite the location of designated suppliers. Therefore, all fluctuations in procurement costs will effectively pass through in full to customers, and supplier locations do not have any material impact on our profit margins. During the Track Record Period and as of the Latest Practicable Date, we had not encountered any material difficulty in sourcing raw materials from overseas suppliers.

### 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 (the “**Overlapping Customers and Suppliers**”).

Five, five and five of our five largest customers in each 2023, 2024 and 2025 were also our suppliers during the same year, generating revenue of RMB191.2 billion, RMB211.0 billion and RMB216.2 billion in 2023, 2024 and 2025, which represented 82.4%, 78.5% and 65.0% of our total revenue, respectively. For the same years, the purchases from such overlapping customers and suppliers amounted to RMB111.8 billion, RMB127.3 billion and RMB126.0 billion, which represented 63.2%, 60.4% and 50.6% of our total purchases, respectively.

Three, four and five of our five largest suppliers in each of 2023, 2024 and 2025 were also our customers during the same year, generating revenue of RMB181.6 billion, RMB195.8 billion and RMB205.7 billion in 2023, 2024 and 2025, which represented 78.3%, 72.9% and 61.9% of our total revenue, respectively. For the same years, the purchases from such overlapping customers and suppliers amounted to RMB112.4 billion, RMB129.2 billion and RMB132.0 billion, which represented 63.6%, 61.3% and 53.0% of our total purchases, respectively.

Other than transactions conducted under the buy-and-sell model, our sales to the overlapping customers and suppliers are neither related to nor conditional upon our purchases from them.

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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:

### ***Buy-and-sell Model***

Certain of our Overlapping Customers and Suppliers, namely Customer A/Supplier A, Customer C/Supplier B and Supplier J, require their suppliers, including us, to purchase certain raw materials and components manufactured or procured from themselves to exert overall control over the procurement process, and to better control the cost and quality of raw materials. This is commonly referred to in the industry as the buy-and-sell model. Raw materials and components purchased under the buy-and-sell model are limited to use in the products of the same customer/supplier certified for particular products.

Customer A/Supplier A, our largest customer in each of 2023, 2024 and 2025, was also our largest supplier in the same years. Revenue generated from Customer A/Supplier A amounted to RMB174.5 billion, RMB190.1 billion and RMB188.4 billion in 2023, 2024 and 2025, respectively. During the same years, purchase costs from Customer A/Supplier A amounted to RMB109.5 billion, RMB117.9 billion and RMB113.9 billion, respectively. We primarily sold consumer electronics products and solutions to Customer A/Supplier A and primarily purchased PCBs, screens and chips from Customer A/Supplier A.

Customer C/Supplier B, one of our five largest customers in each of 2023, 2024 and 2025, was one of our five largest suppliers in 2023, and remained our supplier in each of 2024 and 2025. Revenue generated from Customer C/Supplier B amounted to RMB6,031.7 million, RMB6,130.7 million and RMB5,758.0 million in 2023, 2024 and 2025, respectively. During the same years, purchase costs from Customer C/Supplier B amounted to RMB1,506.8 million, RMB1,223.3 million and RMB1,269.5 million, respectively. We primarily sold consumer electronics and communication products and solutions to Customer C/Supplier B and primarily purchased fan components, server rack accessories, conductors and circuit breakers from Customer C/Supplier B.

Supplier J, one of our largest suppliers in 2025, was also our customer in the same year. In 2025, revenue generated from Supplier J amounted to RMB4.0 billion. During the same year, purchase costs from Supplier J amounted to RMB3.3 billion. We primarily sold communication and data center products and solutions to Supplier J and primarily purchased data center server chips and interconnects from Supplier J.

According to Frost & Sullivan, it is in line with industry practice for a company to have both sales to and purchases from the same customer/supplier and to adopt a buy-and-sell model. Sales and purchases from Customer A/Supplier A and Customer C/Supplier B were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis. For details of payment arrangements with Customer A/Supplier A and Customer C/Supplier B, see “—Our Customers—Key Terms of Contracts with Our Customers” and “—Our Suppliers—Key Terms with Our Suppliers.”

### ***Conglomerate Customers or Suppliers***

Certain of our Overlapping Customers and Suppliers, namely Customer F/Supplier G, Customer B, Customer D, Customer E, Supplier C, Supplier F and Supplier J, are large enterprises in the consumer electronics industry and have diverse product offerings. The consumer electronics industry has a relatively complex supply chain with multiple stages and diverse material requirements. Each company along this supply chain has its unique advantages in certain areas. We collaborate with other participants in the industry value chain to produce a variety of products to meet our customers' rigorous requirements. Our purchases from and sales to such Overlapping Customers and Suppliers were separate processes and took place at different stages of the industry value chain, and were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis.

Customer F/Supplier G, one of our five largest customers in each of 2024 and 2025, was one of our five largest suppliers in each of the same years. We maintain an upstream and downstream supply chain relationship with Customer F/Supplier G. Revenue generated from Customer F/Supplier G in



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2024 and 2025 amounted to RMB5,704.6 million and RMB9,495.8 million, respectively. During the same years, purchase costs from Customer F/Supplier G amounted to RMB7,252.2 million and RMB9,368.7 million, respectively.

Customer B, one of our five largest customers in each of 2023, 2024 and 2025, was also our supplier in each of the same years. We maintain an upstream and downstream supply chain relationship with Customer B. Revenue generated from Customer B amounted to RMB4,877.6 million, RMB5,493.6 million and RMB5,456.5 million in 2023, 2024 and 2025, respectively. Our purchases from Customer B represented an insignificant percentage of our total cost of sales in the respective years.

Customer D, one of our five largest customers in 2023, was also our supplier in 2023. We maintain an upstream and downstream supply chain relationship with Customer D. Revenue generated from Customer D amounted to RMB2,584.8 million in 2023. Our purchases from Customer D represented an insignificant percentage of our total cost of sales in 2023.

Customer E, one of our five largest customers in each of 2023 and 2024, was also our supplier during the same years. We maintain an upstream and downstream supply chain relationship with Customer E. Revenue generated from Customer E amounted to RMB3,219.7 million and RMB3,555.8 million in 2023 and 2024, respectively. Our purchases from Customer E represented an insignificant percentage of our total cost of sales in the respective years.

Lizhen Business, one of our five largest customers in 2025, was also our supplier during the same year. Revenue generated from Lizhen Business amounted to RMB7,078.2 million in 2025. Our purchases from Lizhen Business represented an insignificant percentage of our total cost of sales in the respective years.

Supplier C, one of our five largest suppliers in each of 2023 and 2024, was also our customer during each of 2024 and 2025. Purchase costs from Supplier C amounted to RMB1,379.8 million and RMB2,621.7 million in 2023 and 2024, respectively. Our sales to Supplier C represented an insignificant percentage of our total revenue in the respective years.

Supplier F, one of our five largest suppliers in 2023, was also our customer during the same year. We maintain an upstream and downstream supply chain relationship with Supplier F. Purchase costs from Supplier F amounted to RMB1,438.3 million in 2023. Our sales to Supplier F represented an insignificant percentage of our total revenue in 2023.

According to Frost & Sullivan, Overlapping Customers and Suppliers are common in the PIMS industry due to the need for deep technical collaboration and supply chain security considerations, and the vast majority of players in the industry have overlapping customers and suppliers. According to the same source, the consumer electronics market is highly concentrated, particularly among top-tier brands that command a large share of global shipments. As such, it is common for suppliers of premium consumer electronics brands to have a concentrated customer base. We have maintained good and long business relationship with our Overlapping Customers and Suppliers and did not have any disputes with them during the Track Record Period. For risks associated with our largest five customers and suppliers, see “Risk Factors—Risks Relating to Our Business and Industry—We had customer concentration during the Track Record Period and the loss of Customer A/Supplier A could have a material adverse effect on our business, financial condition, and results of operations.” As we strategically expand our product mix and enter into other markets, the percentage of total revenue and purchase from Overlapping Customers and Suppliers is expected to decrease in the future.

## INVENTORY MANAGEMENT

Our inventories comprised (i) finished goods; (ii) raw materials; (iii) work in progress; (iv) consumable supplies; (v) goods in transit; (vi) outsourced processing materials; and (vii) materials in transit. We believe the key in inventory control is balancing the risk of stock obsolescence and possible supply shortage of raw materials. We generally adjust the production and procurement plans based on customer orders or scheduling requirements. Our procurement is based on the material’s lead time for releasing orders. Materials with longer lead times are prioritized for release, while those with shorter

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lead times are released later, ensuring alignment in material availability time. Our procurement plans are reviewed on a weekly basis, which are adjusted based on the production department's weekly production plans, and are subject to inputs provided by the logistics department. If the materials purchased based on procurement plans are insufficient to meet production demand, we then procure materials based on production needs, and such procurement requests are approved by the responsible director and supervisor. We review our inventory levels periodically.

Our ERP digital management system is seamlessly integrated with the WMS. The WMS tracks inventory status in real-time, including storage locations, inventory levels, and logistics status such as incoming and outgoing goods. The WMS effectively controls and tracks inventory. We further deploy our employees to conduct manual inventory checks. Our employees scan barcodes on the inventory, where the system automatically verifies the accuracy of the inventory status, and triggers alerts upon errors. Moreover, the system automatically plans inventory status and movement routes based on intelligent analysis of data in our ERP system. Our WMS automatically prompts a re-inspection procedure when obsolete stock is identified to ensure the inventory is in good condition. Our ERP system enables us to control our inventory levels effectively, by managing key metrics such as inventory turnover rate, idle rate, and inventory accuracy.

### QUALITY CONTROL

We adopt stringent production control system to maintain the effectiveness of our business operation and the quality of our products. We have established a comprehensive quality management system, covering all aspects of our business process which meet internationally recognized standards. This includes ISO 9001 for our quality management systems, ISO 14001 for our environmental management systems, ISO 28000 for our supply chain security management system, ISO/IEC 17025 for the competence of our testing and calibration laboratories, ISO 13485 for quality management system for medical devices, IATF 16949 for our quality management system for the automotive industry, ANSI/ESD S20.20 for electrostatic discharge control measures, QC 080000 for our hazardous substances process management, ISO 45001 for occupational health and safety, ISO 14064 for greenhouse gas, and ISO/IEC 27001 for our information security management systems. We are also certified by the Responsible Business Alliance, demonstrating our compliance with labor, health, safety and environmental standards, and business ethics.

In addition, we have the China Compulsory Certificate and the Underwriters Laboratories and Conformité Européenne product certifications, and implemented MES to monitor product process quality. Our Directors believe that an effective control system is essential for us to produce products in high quality and sustain our relationship with customers for the long-term. We had no material product recalls during the Track Record Period.

### Quality Control on The Incoming Raw Materials

We conduct initial specification reviews and drawing comparisons, identify key dimensions, and translate common issues into new cases to ensure standards are quantifiable and executable. We regularly oversee the manufacturing processes of suppliers sorted by raw material categories, providing technical support and quality guidance to promote continuous improvement in manufacturing processes and prevent quality issues. We have established tiered and categorized standard inspection procedure, enhance testing equipment, and improve intake testing capabilities and coverage. To ensure continuous improvement, we operated an 8D mechanism for material anomalies, conduct special reviews for top defects, and maintain a "zero tolerance" policy for environmental and safety regulation issues.

### Quality Control on The Integration Process

We have implemented full-process system traceability and quality management, controlling key testing and inspection points through the MES. We conduct audits and suggest improvements on completeness, compliance, and adherence rates in the manufacturing process. We introduced automated testing for critical processes such as AOI, and implement statistical process control systems for real-time monitoring of process fluctuations and stability. We ensure our quality meets customer standards, industry standards and environmental and safety regulations.

### **Quality Control on Finished Products**

We align with customer product standards and shipping requirements, standardizing optimization and operations. We implement precise sampling plans for final quality control and ongoing reliability testing (ORT) management, to ensure products continue to meet specified quality standards after production commences, to enhance defect detection rates. We have effective customer complaint management systems, with IT systems automatically tracking complaints within a 2485-response time frame—to provide initial response within two hours, take emergency measures within 24 hours, complete cause analysis and countermeasures within 48 hours, and implement countermeasures and submit closure reports within five days. We hold monthly quality control review meetings to ensure optimization of the Plan-Do-Check-Act cycle.

### **INFORMATION TECHNOLOGY (“IT”) SYSTEM AND SUPPORT**

IT plays a crucial role in our growth and sustainable operations, simultaneously monitoring our compliance requirements, operational efficiency, risk management, and technological upgrades. Our IT system focuses on four key areas, including data compliance and auditability, system stability and security, internal controls and access management, and business-IT collaboration. The development and application of digital intelligent tools enable us to quickly align resources while achieving synergies in comprehensive management across multiple fields and processes. Our IT system also integrates with our self-developed engineering knowledge base large model technology. Digital intelligent tools enable us to share our data and resources internally quickly and effectively, achieving synergies across multiple areas and processes. We also integrate our IT systems with our precision MOM platform to fully empower our intelligent manufacturing process and production base. For details, see “—Manufacturing—Intelligent Manufacturing—Application of Intelligent Tools.”

### **COMPETITION**

We compete in the large and highly competitive global PIMS industry. Our competitors include PIMS providers focusing on industries such as consumer electronics, automotive electronics, and communication and data centers. Key competitive factors in such industries include technical expertise and innovative R&D capabilities, product development capabilities such as the ability to meet technological iteration demands of miniaturization for consumer electronics, and provide high-performance support. For details, see “Industry Overview.”

### **DATA SECURITY AND PRIVACY**

During the ordinary course of our business operations, we collect business, management, and transaction data, such as product information, supplier and customer contacts, logistical details and transactional records, which are stored on our domestic and overseas servers. Such data may be shared with our overseas subsidiaries as required for business operation, which, however, does not involve transfer of personal information abroad.

We have established a comprehensive data security and information management system to ensure the integrity of our systems and the privacy of data, which has been designed according to and certified under ISO 27001. Data is classified and managed based on its sensitivity and importance, with differentiated protection strategies implemented accordingly. We have implemented various security measures, including firewalls, intrusion detection systems, regular penetration testing, vulnerability scanning, and disaster recovery plans. We also encrypt data and use email security protection systems. Sensitive data is stored using rigorous encryption algorithms, and strict data access and transfer protocols are enforced to ensure the confidentiality of user data.

We have developed stringent internal control and data access mechanisms that outline specific approval and operational processes related to data storage and processing. We have established internal data security protocols that impose detailed and stringent requirements for the use, disclosure, and protection of confidential information as well as a cybersecurity incident emergency response plan for

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any incident that may jeopardize cybersecurity. Our data backup system ensures that data is encrypted and stored on servers in different locations to minimize the risk of data loss. We also conduct regular data recovery tests to check the status of the backup system.

In addition, we mandate data protection agreements with partners and provide employee data security training to minimize operational risks.

As advised by our PRC legal advisors with respect to data compliance, during the Track Record Period and up to the Latest Practicable Date, we were in compliance with applicable data privacy and cybersecurity laws and regulations in all material respects, and we had not been subject to any material penalty in relation to data privacy and cybersecurity.

### INTELLECTUAL PROPERTY

As an innovation-driven technology company, we designed and registered various patents and other intellectual property from time to time. As of December 31, 2025, we owned 9,367 patents, including 2,540 invention patents. For details of a list of intellectual property that are material to our business operations, see “Appendix IV—Statutory and General Information—B. Further Information About Our Business—2. Our Intellectual Property Rights.”

We place great importance on the protection of our intellectual property and the data security of technical and commercial information. We have entered into confidentiality agreements with all core technical personnel, senior executives, and employees with access to sensitive commercial information. Such employees are required to maintain confidentiality during employment and after termination of employment for a specified period, which is generally two years. They are prohibited from disclosing, using, or permitting others to use our confidential information, including technical secrets, customer data, financial details and strategic plans, among others.

We enter into post-employment non-compete agreements with certain key personnel who possess critical technologies or customer resources, prevent such employees from working for or engaging in companies that directly compete with us for a period of one to two years after their departure. We provide monthly economic compensation to employees who have signed non-compete agreements during the duration of the agreement to ensure the legality and validity of the non-compete agreements.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringements (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us. As of the Latest Practicable Date, we were also not aware of any pending or threatened claims against us or against any members of our Group in relation to any material infringement of intellectual property rights of third parties.

For products developed in collaboration with customers, we clearly outline the ownership of the intellectual property resulting from the R&D efforts in the cooperation agreements.

### PROPERTIES

As of December 31, 2025, we owned and leased certain properties, primarily for production bases, office premises, R&D facilities, staff dormitories, and warehouses, among others.

The following details the main properties we owned and leased as of December 31, 2025:

| Property Rights             | Number of Properties | Approximate GFA<br>(sq.m.) |
|-----------------------------|----------------------|----------------------------|
| Owned Properties . . . . .  | 759                  | 7,160,730                  |
| Land Use Rights . . . . .   | 330                  | 8,275,895                  |
| Leased Properties . . . . . | 582                  | 6,537,526                  |

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As of December 31, 2025, 566 of our lease agreements had not been registered and filed with relevant government authorities. For details, see “Risk Factors—Risks Relating to Our Business and Industry—We are subject to extensive regulatory permits, filings, certificates and approvals for our leased and owned properties.” As of the same date, we had not obtained the property ownership certificates for 11 owned properties with an aggregate gross floor area of 1,210,102 sq.m. and a parcel of land held under land use rights with a site area of 13,353 sq.m. in the PRC. The outstanding property ownership certificates primarily arise from: (i) certain properties being newly constructed or newly acquired, for which applications for property ownership certificates were in progress; and (ii) historical legacy issues predating our acquisition of the relevant properties. These properties are mainly used as plants, offices, employee dormitories, and a training center and are not individually or collectively critical to our operations, as (i) the lack of property ownership certificates did not affect our right to use the relevant properties during the Track Record Period and up to the Latest Practicable Date, (ii) such properties do not constitute a material portion of our owned properties or operations in terms of gross floor area, site area, or value, and (iii) they are readily replaceable, with comparable substitute properties available in nearby areas on commercially reasonable terms. The properties were in good safety condition during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC Legal Advisors, we are not subject to any material penalty as a result of the lack of property ownership certificates. While the absence of such certificates may restrict our ability to sell, assign, or mortgage the relevant properties, it did not affect our right to use the relevant properties during the Track Record Period and up to the Latest Practicable Date and does not give rise to any additional land or rental costs. As of the Latest Practicable Date, we were in the process of applying or planned to apply for property ownership certificates for eight of the 11 owned properties and for the land parcel held under land use rights, which are expected to be obtained within one to three years and we do not expect any legal impediments to obtaining such certificates. With respect to the remaining three owned properties, we are unable to obtain property ownership certificates primarily due to legacy issues or noncooperation by the previous owners. As of the Latest Practicable Date, no relocation and/or demolition is required or imminent for such properties. Any potential relocation could be resolved through leasing nearby properties at minimal additional cost and would not have a material adverse impact on our business and financial position.

We had no single property with a carrying amount of 15% or more, and no single property interest that forms part of property activities has a carrying amount of 1% and the total carrying amount of such property interests does not exceed 10%, of our total assets as of the Latest Practicable Date and, therefore, we did not need to prepare a valuation report with respect to our property interests according to Chapter 5 of the Listing Rules and in reliance upon the exemption provided by section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

## COMPLIANCE AND LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no material litigation, arbitration or administrative proceedings pending or threatened against us or any of the Directors. In June 2025, we, through a subsidiary, entered into an asset transfer agreement (the “ATA”) with a subsidiary of Wingtech Technology to acquire certain land, plants and manufacturing equipment in India (collectively, the “**Indian Assets**”) for a consideration of approximately RMB311.2 million. The Indian Assets were seized and frozen by the local tax authority, materially restricting the transfer. We commenced arbitration before the Singapore International Arbitration Centre seeking termination of the ATA and recovery of the amounts paid plus interest. As of the Latest Practicable Date, the arbitration was ongoing. Please refer to “Risk Factors—Risks Relating to Our Business and Industry—Our acquisitions may not be successful and we may face difficulties in integrating acquired businesses with our existing operations” for details. Having considered (i) our Group has not integrated the India Assets into our production network or relied on such assets for manufacturing capacity, revenue generation or customer deliveries, and the dispute has not affected our day-to-day operations; and (ii) the disputed amount is not material compared to our



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total assets during the Track Record Period, our Directors are of the view that the arbitration relating to the ATA and the India Assets does not have any material adverse impact on our business, financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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

We regard sustainable development as an integral part of our long-term growth strategy and are committed to building an efficient, clean and low-carbon manufacturing system. By leveraging digitalization, automation technologies and intelligent management systems, we seek to improve resource utilization efficiency, invest in clean technologies and integrate green concepts throughout the product lifecycle. We have incorporated ESG-related matters into our corporate management framework and, having regard to our business strategy, industry trends and capital market expectations, identified ESG issues closely related to our operations, including innovative R&D, carbon responsibility, supply chain management and employee development, for which relevant policies and management processes have been established.

#### **ESG Governance Structure**

We established a Sustainable Development Center, led by the Board, to drive ESG-related matters. Our human resources, supply chain management, and other functional departments and ESG working groups of our subsidiaries participate in and implement ESG initiatives. The framework ensures that sustainability impacts, risks, and opportunities are integrated into our strategic execution, key decision-making processes, risk management practices, and daily operations.

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

In accordance with the requirements of Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), and ESG topics and relevant requirements of ESG Ratings of capital markets including the Morgan Stanley Capital International’s ESG rating (MSCI ESG Rating), we conducted a comprehensive double materiality assessment. This evaluation considers the financial impact due to ESG-related matters and the extensive economic, social, and environmental consequences of our operations on ESG. Our ESG material issues span environmental, social and governance dimensions, under which we identify key risks and opportunities and implement corresponding measures:

- Environmentally, climate related physical and transition risks may lead to production disruptions, higher costs and increased insurance or raw material expenses, while opportunities arise from improved resource efficiency, clean technology deployment and low emission energy transition, which we address through carbon accounting, phased emission reduction targets, energy efficiency management, participation in government programs and investment in renewable energy;
- Socially, risks relating to employee training, occupational health and safety, employee rights protection, R&D investment, supply chain management, product responsibility and customer relationships may affect productivity, costs, reputation and profitability, while opportunities include enhanced operational efficiency, innovation capability, supply chain stability, product quality and customer satisfaction, supported by employee training programs, health and safety systems, labor risk management, forward looking R&D investment, lifecycle supplier management, quality audits and active customer engagement; and



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- From a governance perspective, deficiencies in corporate governance, risk control or business ethics may result in regulatory penalties, financial loss or reputational damage, while robust governance enhances organizational resilience, investor confidence and stakeholder trust, which we support through improved governance structures, strengthened risk and internal control systems, and the implementation and enforcement of codes of conduct for employees and suppliers.

### Environmental Indicators and Management

We integrate environmental management into our operations and comply in all material respects with applicable environmental protection laws and regulations. We have established internal procedures, including the Group-wide Environmental Protection Management Procedure and the Control Procedure of Environmental Factor Identification and Assessment. During the Track Record Period, we were not subject to any material administrative penalties for environmental non-compliance.

### Emissions

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

- **Solid waste:** We generate hazardous, non-hazardous and domestic waste, maintain a solid waste ledger and engage qualified third parties for disposal in accordance with regulatory requirements.
- **Wastewater:** We generate domestic sewage and industrial wastewater. We conduct real-time discharge monitoring, annual third-party testing and continuously upgrade wastewater treatment and recycling systems.
- **Exhaust gases:** We generate emissions including NO<sub>x</sub>, SO<sub>x</sub>, VOCs, particulate matter and tin-related compounds. Third-party testing confirms compliance with applicable emission standards.

In 2023, 2024 and 2025, the emission data for exhaust gases, water and waste generated by us are as follows:

| Classification                                                              | Unit | Year Ended December 31, |         |         |
|-----------------------------------------------------------------------------|------|-------------------------|---------|---------|
|                                                                             |      | 2023                    | 2024    | 2025    |
| <b>Exhaust gas</b>                                                          |      |                         |         |         |
| NOx emissions . . . . .                                                     | t    | 40                      | 35      | 21      |
| SOx emissions . . . . .                                                     | t    | 10                      | 6       | 2       |
| POP emissions . . . . .                                                     | t    | 1                       | 1       | 0       |
| VOCs emissions (including<br>non-methane hydrocarbon) . . . . .             | t    | 71                      | 68      | 197     |
| Particulate matter emissions . . . . .                                      | t    | 163                     | 150     | 37      |
| Tin and its compound emissions . . . . .                                    | t    | 14                      | 12      | 4       |
| <b>Wastewater</b>                                                           |      |                         |         |         |
| Total industrial wastewater . . . . .                                       | ML   | 6,328                   | 8,906   | 9,155   |
| <b>Solid waste</b>                                                          |      |                         |         |         |
| Hazardous waste generated . . . . .                                         | t    | 24,082                  | 48,769  | 62,214  |
| Non-hazardous waste generated . . . . .                                     | t    | 114,618                 | 123,007 | 187,669 |
| Domestic waste generated . . . . .                                          | t    | 14,309                  | 15,568  | 28,286  |
| Amount of hazardous waste recovered<br>for reuse or recycling . . . . .     | t    | 22,686                  | 45,920  | 55,329  |
| Amount of non-hazardous waste<br>recovered for reuse or recycling . . . . . | t    | 93,797                  | 97,951  | 173,828 |
| Amount of domestic waste recovered<br>for reuse or recycling . . . . .      | t    | 9,273                   | 11,097  | 16,727  |

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### *Resource Consumption*

Our main resource consumptions are energy and water. The following details our resource consumption in 2023, 2024 and 2025:

| Resource classification            | Unit | For the Years Ended December 31, |           |           |
|------------------------------------|------|----------------------------------|-----------|-----------|
|                                    |      | 2023                             | 2024      | 2025      |
| Total energy consumption . . . . . | MWh  | 2,821,165                        | 3,713,674 | 5,053,945 |
| Total water consumption . . . . .  | ML   | 2,194                            | 2,086     | 3,356     |

We implement energy-saving and low-carbon production strategies through internal energy management policies and intelligent energy management platforms. Our total energy consumption increased from 2,821,165 MWh in 2023 to 3,713,674 MWh in 2024 and further to 5,053,945 MWh in 2025, primarily as we expanded our business scale and geographical footprint through both organic growth and mergers and acquisitions across multiple business segments and established several new factories. We also promote water conservation and wastewater reuse in compliance with applicable laws, with certain production bases deploying intelligent water management systems.

### *Climate Change*

We assess climate-related risks and opportunities in accordance with the TCFD framework across governance, strategy, risk management, and metrics and targets.

#### *Governance*

Climate-related matters are overseen by the Board, coordinated by the Sustainable Development Center and implemented by production bases, with at least one annual review.

#### *Strategy*

To address climate change more effectively, we have identified the following potential risks and opportunities, which are categorized as physical risks and transition risks. We have identified two categories of high impact climate-related risks:

- **Transition risks:** We identify climate related transition risks across market, technology, reputation, policy and regulatory dimensions, including increased production, procurement and capital costs arising from low carbon supply chain transformation, adoption of energy saving equipment and processes, changing customer preferences for green products, heightened stakeholder expectations, carbon pricing mechanisms and tighter regulatory requirements, which may increase raw material, energy and compliance costs or affect product quality and market competitiveness. To address these risks, we implement measures such as screening and guiding suppliers on energy conservation and emission reduction, establishing low carbon monitoring mechanisms for upstream raw materials, accelerating green transformation through new technologies and materials, increasing the proportion of low energy and clean technology products, promoting the use of clean energy, enhancing stakeholder communication and climate related disclosure through dedicated sustainability governance, monitoring policy developments and adjusting operations accordingly, and strengthening energy management systems and green manufacturing capabilities.
- **Physical risks:** We also manage climate related physical risks, primarily acute risks such as heavy precipitation, which may lead to production downtime or delays, asset damage, higher insurance expenses, safety risks and potential contractual or legal liabilities. We mitigate these risks through preventive and emergency measures including site selection, drainage infrastructure, facility reinforcement, emergency response planning, regular drills, weather monitoring and insurance coverage.

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### *Risk Management*

Climate-related risks are integrated into our overall risk management framework and reviewed regularly.

### *Metrics and Targets*

We measure scope 1, 2 and 3 GHG emissions in accordance with ISO 14064-1 and subject them to third-party verification. The following details our scope 1, 2 (location-based and market-based), and 3 GHG emissions in 2023, 2024 and 2025.

| Metrics                                                                                | Unit                  | Year Ended December 31, |           |           |
|----------------------------------------------------------------------------------------|-----------------------|-------------------------|-----------|-----------|
|                                                                                        |                       | 2023                    | 2024      | 2025      |
| GHG emissions                                                                          |                       |                         |           |           |
| Scope 1 GHG emissions . . . . .                                                        | tCO2e                 | 64,857                  | 81,370    | 129,755   |
| Scope 2 GHG emissions (location-based) . . . . .                                       | tCO2e                 | 1,571,531               | 2,086,738 | 2,616,633 |
| Scope 2 GHG emissions (market-based). . . . .                                          | tCO2e                 | 610,143                 | 649,158   | 979,328   |
| Scope 3 GHG emissions . . . . .                                                        | tCO2e                 | 5,902,548               | 5,552,266 | 8,168,378 |
| GHG emission intensity                                                                 |                       |                         |           |           |
| Scope 1 GHG emission intensity per unit of business revenue . . . . .                  | tCO2e/RMB in millions | 0.3                     | 0.3       | 0.4       |
| Scope 2 GHG emission intensity per unit of business revenue (location-based) . . . . . | tCO2e/RMB in millions | 6.8                     | 7.8       | 7.9       |
| Scope 2 GHG emission intensity per unit of business revenue (market-based). . . . .    | tCO2e/RMB in millions | 2.6                     | 2.4       | 3.0       |

#### *Note:*

- (1) Greenhouse gas emissions calculations are based on the General Principles for Calculating Comprehensive Energy Consumption (GB/T2589-2020) standard issued by the State Administration for Market Regulation and the National Standardization Administration, the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, the IPCC 2006 National Greenhouse Gas Inventory Guidelines, the Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Trial Version) issued by the Ministry of Ecology and Environment, and regional electricity emission factors

As a part of our ESG initiatives, we are committed to the continuous reduction of emissions. By 2032, we aim to reduce absolute scope 1 and 2 GHG emissions by 50.4% compared with 2023, and reduce scope 3 GHG emission by 58.1% per RMB of value added compared with 2023.

In 2024, we implemented energy-efficiency retrofit projects, installed photovoltaic capacity, increased clean energy usage, enhanced supply-chain carbon management and promoted low-carbon employee practices.

### **Social Indicators and Management**

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

### **Employment Management Governance**

We adhere to principles of compliance, fairness and equal opportunity in recruitment and employment. We have established comprehensive employment-related policies covering labor protection, non-discrimination, freedom of association and diversity. We have implemented a

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comprehensive framework to ensure fair labor practices and to monitor and mitigate risks relating to corruption, forced labor and labor exploitation across all regions in which we operate. This framework is anchored in internationally recognized standards, including the ILO Core Conventions, the UN Guiding Principles on Business and Human Rights and the Responsible Business Alliance (RBA) Code of Conduct, and is supported by group-wide labor and human rights policies. We conduct annual labor risk assessments covering all subsidiaries, supplemented by rolling specialized audits, client audits and independent third-party audits, to identify, monitor and address labor-related risks on a continuous basis. Our labor risk management mechanism follows a full-cycle process of identification, prevention, monitoring, mitigation and remediation, under which we investigate reported issues, implement corrective actions and provide appropriate remedies. During the Track Record Period, we recorded no incidents involving forced labor, child labor or unlawful discrimination.

We safeguard employee welfare through structured policies, robust controls and active monitoring. We operate a regulated overtime management system under which overtime is voluntary, subject to prior approval and monitored through system alerts and facial recognition attendance records, with compensation verified against timekeeping data. We maintain multiple grievance channels, including supervisory lines, digital platforms and a dedicated hotline, with formal case tracking, defined timelines and follow-up procedures, supported by strict whistle-blower protection against retaliation. We conduct regular inspections of attendance and overtime practices, while the labor union actively collects employee feedback, performs risk assessments and reports to management. In addition, we provide statutory and supplementary employee benefits, structured training and career development programs, and promote transparency through real-time access to working hour records. These measures collectively aim to ensure fair treatment, regulatory compliance and a transparent and supportive working environment.

In 2023, 2024 and 2025, the distribution of our employees by gender, age and geographical region are as follows:

| Metrics                           | Employee type (person)      | Year Ended December 31, |         |         |
|-----------------------------------|-----------------------------|-------------------------|---------|---------|
|                                   |                             | 2023                    | 2024    | 2025    |
| Total number of employees . . . . | —                           | 232,585                 | 278,103 | 416,197 |
| By gender . . . . .               | Male                        | 132,253                 | 163,436 | 232,684 |
|                                   | Female                      | 100,332                 | 114,667 | 183,513 |
| By age group . . . . .            | 29 and below                | 112,074                 | 135,693 | 185,240 |
|                                   | 30–49                       | 118,379                 | 139,560 | 215,627 |
|                                   | 50 and above                | 2,132                   | 2,850   | 15,330  |
| By geographical region . . . . .  | Chinese Mainland            | 183,649                 | 215,861 | 258,150 |
|                                   | Outside of Chinese Mainland | 48,936                  | 62,242  | 158,047 |

We have implemented a labor risk management framework covering identification, prevention, monitoring and remediation, including internal audits, third-party audits and complaint handling mechanisms.

### ***Occupational Health and Safety***

We have established a Group-wide EHS management system covering all employees and workplaces, supported by unified manuals and procedures. The EHS Management Committee oversees implementation across subsidiaries with the objective of preventing fatal accidents and occupational diseases.

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### *Supply Chain Management*

We promote responsible supply chain practices through supplier selection, evaluation and audits. All suppliers are required to comply with our Supplier Code of Conduct and applicable laws. We conduct CSR risk assessments and audits and utilize digital systems to support green procurement and quality assurance.

### *Product Responsibility*

See “—Quality Control” and “—Product Return and Warranty.”

### *Public Welfare and Charity*

We participate in community and charitable activities, including disaster relief, blood donation and support for vulnerable groups, while focusing on sustainable business development.

### *Anti-corruption and Whistleblowing Measures*

#### *Anti-corruption*

We implement anti-corruption policies, provide regular training to employees and suppliers and maintain a zero-tolerance approach to misconduct.

#### *Whistleblowing Measures*

We encourage employees and stakeholders to report any misconduct. We provide multiple reporting channels and establish rewards for reporting including through electronic communication and social media such as phone, email, WeChat and QQ, and contact us directly at our headquarters in the PRC. Upon receiving a report, a specialized investigation team is assembled based on the case’s size and nature, while safeguarding the legitimate rights and interests of all parties involved. We have adopted a strict “zero tolerance” policy toward discrimination or retaliation of any kind against whistleblowers. We also provide legal assistance to whistleblowers.

## EMPLOYEES

As of December 31, 2025, we had 416,197 employees worldwide. The following table sets forth the number of our employees categorized by function as of December 31, 2025.

| Employees Categorized by Function                | Number of Employees | % of total   |
|--------------------------------------------------|---------------------|--------------|
| Production . . . . .                             | 336,037             | 80.7         |
| Sales and marketing . . . . .                    | 8,358               | 2.0          |
| R&D . . . . .                                    | 48,765              | 11.7         |
| Management, administrative and finance . . . . . | 23,037              | 5.5          |
| <b>Total . . . . .</b>                           | <b>416,197</b>      | <b>100.0</b> |

### **Recruitment**

We believe our long-term growth depends on the expertise, experience, and development of our employees. Our recruitment plan is devised based on our overall strategic direction, including our annual business objectives, production capacity and expansion plans, budget and predicted staff turnover rate. Our human resources department combines our overall strategic direction and staffing information collected from communication with each of our departments to formulate a recruitment plan based on key indicators, such as the number of positions to recruit, the time required to fill the positions, and the job requirements. We generally sign labor contracts with our employees.

We adopt a diverse combination strategy through multiple recruitment channels, including campus recruitment, online recruitment, headhunting, internal referrals and internal recruitment. We focus our campus recruitment efforts at universities specializing in the electronics, mechanical engineering, and

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materials science fields, with recruitment presentations, participation in job fairs, and summer internship programs to attract outstanding recent graduates. We utilize online recruitment platforms to recruit talent and enable us to precisely target candidates with industry experience. For senior technical and management positions, we have established long-term partnerships with professional headhunting firms and leverage their networks to identify scarce talent in the market. In addition, our internal employee referrals and internal recruitment are highly effective recruitment methods, as candidates recommended by our employees generally have a high onboarding rate and demonstrate strong job stability. We have established corresponding referral reward mechanisms to incentivize internal employee referrals and internal recruitment.

### Remuneration

We have established a salary management system for wages, performance, and year-end bonuses, providing competitive compensation in a scientific and reasonable manner. We ensure timely payment of wages to our employees. We employ a dual-track approach that integrates both organizational and individual performance. Our overall appraisal is primarily based on key performance indicators (KPIs), supplemented by special incentives, and encompasses performance evaluations for our employees. We differentiate incentive models and appraisal metrics based on varying performance levels, emphasizing effective and accurate incentives. We provide compensation to outstanding achievers, including year-end bonuses, project awards, equity incentives for key personnel, and outstanding employee awards. This approach helps attract and retain top talent required for our continuous growth.

### Training

We place great emphasis on career planning and talent development for our employees. We established a comprehensive training system to attract and motivate outstanding talent while promoting mutual growth for us and our employees. We have established a comprehensive tiered training system that encompasses the entire career development cycle for both new and existing employees. For newcomers, we offer orientation training that covers essential topics such as corporate culture, rules and regulations, safety standards, and basic skills. We assign mentors to new hires from campus recruitment each year, providing one-on-one coaching to help them master the professional knowledge and skills necessary for their roles. For existing employees, we create tailored training plans based on job functions and career paths. Technical staff regularly engage in industry-leading seminars, internal technical sharing sessions, and job-specific improvement courses. Management personnel and high-potential talent participate in specialized programs, including management simulations, leadership training, and benchmarking visits, to enhance their management skills and strategic thinking.

Moreover, we have launched school-enterprise cooperation projects to encourage employees to obtain internal and external professional qualifications to elevate overall productivity and social recognition. We have established learning and knowledge exchange platforms, such as the “Momentum Series” and the “Star Classroom,” setting a stage for employee self-expression, to foster a positive learning atmosphere and promote integration and communication among employees.

As of December 31, 2025, we had a labor union representing our employees. We have maintained good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

### INSURANCE

As of the Latest Practicable Date, we maintained property insurance for our production base and inventory, product liability insurance for the manufacturing and sales of our products, marine cargo insurance for the transportation of goods, and export credit insurance for receivables from overseas customers. Our Directors are of the view that our insurance coverage is sufficient and adequate and is in line with customary industry practices. As of the Latest Practicable Date, we have not made or suffered any significant insurance claims, and there had been no material product liability claims against us.



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Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. For details, see “Risk Factors—Risks Relating to Our Business and Industry—We may not have adequate insurance to cover all losses and claims associated with our operations.”

### LICENSES, PERMITS AND APPROVALS

We are required to obtain or maintain various licenses, permits and approvals for our business operations. As advised by the local counsels in the major jurisdictions where we operate, we have all material licenses, permits and approvals necessary in order to operate our business in the relevant jurisdictions.

The table below sets forth details of our material licenses, permits and approvals:

| Entity                                 | Type of Licenses, Permits or Approvals                | Credential Number                | Issuing Authority                                                     | Validity Periods/Date of Expiration |
|----------------------------------------|-------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------|-------------------------------------|
| Our Company . . . . .                  | Consignor or Consignee of Imported and Exported Goods | 4403937825                       | Fuzhong Customs                                                       | Long-term                           |
| Jiashan Rishan . . . . .               | Pollutant Discharge Permit                            | 91330421336400470U001Z           | Jiaxing Municipal Bureau of Ecology and Environment                   | November 21, 2029                   |
| Jiashan Rishan . . . . .               | Radiation Safety Permit                               | Zhe Huan Fu Zheng [浙環輻證] [F5022] | Zhejiang Province Department of Ecology and Environment               | October 25, 2028                    |
| Jiashan Rishan . . . . .               | Consignor or Consignee of Imported and Exported Goods | 330496983J                       | Jiashan Office of Jiaxing Customs                                     | Long-term                           |
| Luxshare Changshu . . . . .            | Pollutant Discharge Permit                            | 91320581MA209YTC5H001W           | Suzhou Municipal Bureau of Ecology and Environment                    | October 29, 2030                    |
| Luxshare Changshu . . . . .            | Radiation Safety Permit                               | Su Huan Fu Zheng [蘇環輻證] [E2347]  | Suzhou Municipal Bureau of Ecology and Environment                    | August 15, 2028                     |
| Luxshare Changshu . . . . .            | Consignor or Consignee of Imported and Exported Goods | 32149689WK                       | Changshu Customs                                                      | Long-term                           |
| Luxshare Smart Manufacturing . . . . . | Radiation Safety Permit                               | Zhe Huan Fu Zheng [浙環輻證] [F5036] | Jiashan Branch of Jiaxing Municipal Bureau of Ecology and Environment | November 4, 2030                    |
| Luxshare Smart Manufacturing . . . . . | Consignor or Consignee of Imported and Exported Goods | 33049609NA                       | Jiashan Office of Jiaxing Customs                                     | Long-term                           |
| Luxshare Chuzhou . . . . .             | Pollutant Discharge Permit                            | 913411000953808188001Q           | Chuzhou Municipal Bureau of Ecology and Environment                   | July 2, 2030                        |
| Luxshare Chuzhou . . . . .             | Consignor or Consignee of Imported and Exported Goods | 3412260266                       | Chuzhou Customs                                                       | Long-term                           |
| Luxcase ICT Yancheng . . . . .         | Pollutant Discharge Permit                            | 91320900MA1R8A0N2B001V           | Yancheng Municipal Bureau of Ecology and Environment                  | December 4, 2030                    |
| Luxcase ICT Yancheng . . . . .         | Radiation Safety Permit                               | Su Huan Fu Zheng [蘇環輻證] [JK014]  | Yancheng Municipal Bureau of Ecology and Environment                  | June 20, 2028                       |
| Luxcase ICT Yancheng . . . . .         | Consignor or Consignee of Imported and Exported Goods | 32099616HP                       | Yancheng Customs                                                      | Long-term                           |

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| Entity                       | Type of Licenses, Permits or Approvals                         | Credential Number                   | Issuing Authority                                                                                | Validity Periods/Date of Expiration |
|------------------------------|----------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------|
| Lanto Kunshan. . . . .       | Radiation Safety Permit                                        | Gan Huan Fu Zheng [贛環輻證]<br>[E1180] | Suzhou Municipal Bureau of Ecology and Environment                                               | December 28, 2026                   |
| Lanto Kunshan. . . . .       | Consignor or Consignee of Imported and Exported Goods          | 3223966553                          | Kunshan Customs                                                                                  | Long-term                           |
| Smart Manufacturing Jiangxi. | Radiation Safety Permit                                        | Gan Huan Fu Zheng [贛環輻證]<br>[D2352] | Jiangxi Province Department of Ecology and Environment                                           | October 31, 2028                    |
| Smart Manufacturing Jiangxi. | Consignor or Consignee of Imported and Exported Goods          | 36109607JE                          | Ji'an Customs                                                                                    | Long-term                           |
| Luxshare Kunming . . . . .   | Permit for Discharge of Urban Sewage into the Drainage Network | Kun Gao Zi [昆高字]<br>No. 2022022     | Kunming High-tech Industrial Development District Administrative Examination and Approval Bureau | October 12, 2027                    |
| Luxshare Kunming . . . . .   | Radiation Safety Permit                                        | Yun Huan Fu Zheng [雲環輻證]<br>[A0664] | Kunming Municipal Bureau of Ecology and Environment                                              | May 4, 2027                         |
| Luxshare Kunming . . . . .   | Consignor or Consignee of Imported and Exported Goods          | 530136086C                          | Dianzhong Customs                                                                                | Long-term                           |
| Luxshare Vietnam . . . . .   | Environmental License                                          | 192/GPMT-BTNMT                      | Ministry of Natural Resources and Environment of Vietnam                                         | June 14, 2030                       |
| Luxshare Van Trung . . . . . | Environmental License                                          | 347/GPMT-BTNMT                      | Ministry of Natural Resources and Environment of Vietnam                                         | September 5, 2031                   |

During the Track Record Period and as of the Latest Practicable Date, we had not experienced any material difficulty in renewing our material licenses, permits or approvals. We do not expect any material difficulties in renewing our licenses, permits and approvals upon expiry. We will continuously monitor our compliance with these requirements to ensure we have all such licenses, permits and approvals necessary for our business operations.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors and our senior management are responsible for establishing and maintaining adequate risk management and internal control systems. Risk management is the process designed to identify potential events that may affect us and to manage risks to be within our risk appetite. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

#### Risk Management and Internal Control Policies

We have implemented or will adopt upon Listing a number of policies and measures to manage our risks and set up proper internal controls. These policies cover areas such as (i) the duties and roles of the Directors, the Board and our senior management; (ii) social and environmental matters, including policies on diversity; (iii) anti-money laundering; and (iv) compliance with the Hong Kong Listing Rules.

We have grown, and expect to continue to grow, through a combination of organic expansion and mergers and acquisitions. We have implemented a series of measures to effectively manage risks associated with mergers and acquisitions, including (a) strengthening our pre-transaction due diligence procedures for overseas acquisitions with a heightened focus on local regulatory compliance and enforcement risks, such as tax investigations, regulatory restrictions and potential asset encumbrances,

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(b) enhancing our contractual safeguards through more robust risk allocation, expanded counter-party disclosure obligations and strengthened termination and recovery mechanisms, and (c) improving coordination among our business, legal, finance and compliance functions to facilitate early identification and effective management of regulatory and execution risks.

Under our risk management and internal control policies, the Board oversees risk management and internal control systems on an ongoing basis and reviews the effectiveness of these systems. In July 2025, we engaged an independent internal control consultant to perform certain agreed-upon reviews in connection with our internal control. The key areas of review include: (i) internal control at the entity level; (ii) sales, accounts receivable, and collection management; (iii) purchases, accounts payable, and payment management; (iv) R&D management; (v) production, inventory, and costing management; (vi) fixed assets and construction in progress management; (vii) intangible asset management; (viii) cash, treasury, and investment management; (ix) tax management; human resources management; (x) financial reporting and disclosure; and (xi) information system management.

### **IMPACT OF COVID-19 PANDEMIC**

Our business operations and financial condition were not materially and adversely impacted by the COVID-19 pandemic. Our revenue and net profit increased continuously during the Track Record Period. We observed a healthy supply and demand chain with no material shift in the industries we operate in that can be directly attributed to the COVID-19 pandemic. During the Track Record Period, we did not encounter material product recalls. During the same periods, our inventory levels remained stable and have fluctuated only in the ordinary course of business.

## DIRECTORS AND SENIOR MANAGEMENT

### BOARD OF DIRECTORS

Our Board of Directors comprises eight Directors, including five executive Directors and three independent non-executive Directors. The powers and duties of our Board include determining our business and investment plans, and exercising other powers, functions and duties as conferred by the Articles.

The table below sets out the key information of our Directors:

#### Our Directors

| Name                                 | Age | Date of joining our Group | Date of appointment as Director | Existing position(s) in our Group                                                | Roles and responsibilities                                                                                                  | Relationship with other Directors and senior management |
|--------------------------------------|-----|---------------------------|---------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <i>Executive Directors</i>           |     |                           |                                 |                                                                                  |                                                                                                                             |                                                         |
| Ms. Wang Laichun<br>(王來春) . . . . .  | 59  | May 24, 2004              | May 24, 2004                    | Chairlady of our Board, executive Director and general manager                   | Responsible for the overall strategic planning and major business decisions of our Group                                    | Sister of Mr. Wang                                      |
| Mr. Wang Laisheng<br>(王來勝) . . . . . | 62  | May 24, 2004              | October 31, 2008                | Vice chairman of our Board and executive Director                                | Responsible for participating in strategic planning and major decision-making of our Group                                  | Brother of Ms. Wang                                     |
| Mr. Qian Jiwen<br>(錢繼文) . . . . .    | 52  | April 18, 2016            | June 27, 2024                   | Executive Director and vice general manager                                      | Responsible for the management and operations of the consumer electronics terminal antenna business department of our Group | None                                                    |
| Mr. Hao Jie<br>(郝杰) . . . . .        | 44  | October 19, 2017          | June 27, 2024                   | Executive Director and vice general manager                                      | Responsible for the management and operations of the system-in-package business department of our Group                     | None                                                    |
| Mr. Chen Weihang<br>(陳蔚航) . . . . .  | 31  | September 28, 2021        | August 8, 2025                  | Executive Director (Employee Director) and the securities affairs representative | Responsible for the information disclosure management, regulatory communication and compliance of our Group                 | None                                                    |

## DIRECTORS AND SENIOR MANAGEMENT

| Name                                                             | Age | Date of joining our Group | Date of appointment as Director | Existing position(s) in our Group  | Roles and responsibilities                                                                          | Relationship with other Directors and senior management |
|------------------------------------------------------------------|-----|---------------------------|---------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Independent Non-executive Directors</b>                       |     |                           |                                 |                                    |                                                                                                     |                                                         |
| Dr. Hou Lingling<br>(侯玲玲) . . . . .                              | 51  | June 27, 2024             | June 27, 2024                   | Independent non-executive Director | Responsible for supervising and providing independent judgment and professional advice to our Board | None                                                    |
| Mr. Liu Zhonghua<br>(劉中華) (with a former Chinese name 劉忠華) . . . | 61  | May 18, 2021              | May 18, 2021                    | Independent non-executive Director | Responsible for supervising and providing independent judgment and professional advice to our Board | None                                                    |
| Ms. Song Yuhong<br>(宋宇紅) . . . . .                               | 55  | May 18, 2021              | May 18, 2021                    | Independent non-executive Director | Responsible for supervising and providing independent judgment and professional advice to our Board | None                                                    |

### Executive Directors

**Ms. Wang Laichun (王來春)**, aged 59, is our chairlady of the Board, executive Director and general manager. Ms. Wang founded our Group together with her brother Mr. Wang in May 2004. She has been serving as the Director and general manager since then and the chairlady of our Board since October 31, 2008. In addition, she also serves as the director and legal representative of certain subsidiaries of our Group. Ms. Wang has over 30 years of experience in the precision manufacturing industry. She is primarily responsible for the overall strategic planning and major business decisions of our Group.

Since April 2022, she has been serving as the chairlady of the board and a non-executive director of Time Interconnect, where she is primarily responsible for the overall strategic management and corporate development of the company. Since March 2024, she has also been serving as a non-executive director of Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司), a passenger vehicle company headquartered in Wuhu, China, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9973), where she is responsible for high-level supervision on the management and operations of the group.

Ms. Wang has been serving as a vice chairlady of the 13th Executive Committee of Guangdong Federation of Industry & Commerce (廣東省工商業聯合會(總商會)第十三屆執委會) since August 2022, a member of the 14th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十四屆全國委員會) since January 2023 and a vice chairlady of the Chamber of Commerce for Women Entrepreneurs of the All-China Federation of Industry and Commerce (全國工商業聯合會女企業家商會) since April 2024.

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## DIRECTORS AND SENIOR MANAGEMENT

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**Mr. Wang Laisheng (王來勝)**, aged 62, is our vice chairman of the Board and executive Director. Mr. Wang founded our Group together with his sister Ms. Wang in May 2004. He was appointed as the vice chairman of our Board on October 31, 2008. In addition, he also serves as the director and legal representative of certain subsidiaries of our Group. He is primarily responsible for participating in strategic planning and major decision-making of our Group.

Mr. Wang possesses decades of extensive experience in the precision manufacturing industry and corporate management. In connection with our business-segment realignment and early-stage transformation, since 2005, Mr. Wang has been serving as a director at certain of our Major Subsidiaries, such as Luxshare Chuzhou, Lanto Kunshan and Smart Manufacturing Jiangxi, among others. During his tenure, he spearheaded key optimization initiatives that shifted their operations from low-value-added consumer digital products to the high-barrier precision-connector sector. In driving the global expansion strategy of our Group, Mr. Wang led the site selection, due diligence and establishment of our production facilities in multiple countries and regions. Since December 2024, Mr. Wang has been serving as a director of Chery Holding Group Co., Ltd. (奇瑞控股集團有限公司).

**Mr. Qian Jiwen (錢繼文)**, aged 52, is our executive Director and vice general manager. He was appointed as a Director and the vice general manager on June 27, 2024. He is primarily responsible for the management and operations of the consumer electronics terminal antenna business department of our Group.

Mr. Qian has nearly 30 years of experience in management, with over two decades of which were spent serving as senior management at multinational corporations. He possesses a profound professional background in precision manufacturing as well as exceptional general management proficiency. He joined our Group on April 18, 2016 as the head of the consumer electronics terminal antenna business department, established the business unit 17 (“BU 17”) of our Group, taking full responsibility of the management and operations of the antennas and flexible printed circuit board surface-mount-technology (SMT). BU 17, led by Mr. Qian, specializes in the R&D, manufacturing, and commercialization of Flexible Printed Circuit Assembly, flexible antennas, flat panel antennas, fingerprint modules, millimeter-wave antennas, and automotive antennas. From the financial perspective, BU 17 accounted for approximately 4% to 5% of our Group’s total revenue and net profit in 2025, contributing steadily to our Group’s financial performance. From the overall operational perspective, BU 17 maintains a strategic presence in consumer electronics and automotive electronics. It is anchored by established product lines while advancing into next-generation categories such as millimeter-wave and automotive antennas to capture technology shifts and market opportunities. Its expertise in RF technologies, flexible circuit design, and biometric sensing creates synergies with other business units across our Group. This diversification also enhances our Group’s business resilience and mitigates concentration risk. BU 17 is therefore integral to our Group’s operational resilience, competitive positioning, and sustainable growth.

Prior to joining our Group, he began his career at Procter & Gamble, primarily responsible for the production management of the Olay production line. Then he joined the Hangzhou facility of Motorola, Inc., progressing to a plant operations head, mainly responsible for overseeing the manufacturing of smartphones, base stations and set-top boxes. Later, he served as the head of a provider of high-technology interconnect, sensor and antenna solutions, where he was mainly responsible for managing the antenna business unit.

Mr. Qian obtained his bachelor’s degree in metal materials from Southeast University (東南大學) in the PRC in June 1996, and his master of business administration degree from Arizona State University in the United States in 2005.

**Mr. Hao Jie (郝杰)**, aged 44, is our executive Director and vice general manager. He joined our Group on October 19, 2017 as the head of the system-in-package business (SIP) department and the chairman of the SMT technical committee, and was appointed as a Director and the vice general manager on June 27, 2024. He is primarily responsible for the management and operations of the SIP and SMT business department of our Group.



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## DIRECTORS AND SENIOR MANAGEMENT

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Mr. Hao possesses solid knowledge of operations and management and extensive experience in the consumer electronics industry. Prior to joining our Group, he worked at Sony's mobile phone manufacturing plant in Beijing, serving as the smartphones SMT engineering director and the site leader of SMT technical committee, where he was mainly responsible for new product and new technology validation, and quality management of the contract manufacturing supply chain.

Mr. Hao obtained his bachelor's degree in economics from Inner Mongolia University of Finance and Economics (內蒙古財經學院) in the PRC in July 2005 and his master's degree in administration from Renmin University of China (中國人民大學) in the PRC in June 2011.

**Mr. Chen Weihang (陳蔚航)**, aged 31, is our executive Director (employee Director) and the securities affairs representative. He joined our Group on September 28, 2021 as the securities affairs specialist, has been serving as the securities affairs representative since July 2024, and was appointed as our executive Director (employee Director) on August 8, 2025. He is primarily responsible for the information disclosure management, regulatory communication and compliance of our Group.

Prior to joining our Group, he successively worked at a property management company and an information technology company from June 2017 to August 2021.

Mr. Chen obtained his bachelor's degree in accounting from Sun Yat-sen University (中山大學) in the PRC in June 2017.

### Independent non-executive Directors

**Dr. Hou Lingling (侯玲玲)**, aged 51, was appointed as our independent non-executive Director on June 27, 2024. She is primarily responsible for supervising and providing independent judgment and professional advice to our Board.

Dr. Hou has successively served as an associate professor and a professor in the Law School of Shenzhen University (深圳大學). Prior to that, Dr. Hou was appointed as a lecturer in the Law School of Zhongnan University of Economics and Law (中南財經政法大學) in September 2002 and the Law School of South China University of Technology (華南理工大學) in September 2006, respectively. In addition, Dr. Hou has been serving as an independent non-executive director at Shenzhen Dobot Corp Ltd (深圳市越疆科技股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2432) since December 2022.

Dr. Hou obtained her bachelor's degree and her master's degree in economic law from Zhongnan University of Economics and Law (中南財經政法大學) (formerly known as Zhongnan Institute of Economics and Law (中南政法學院)) in the PRC in June 1997 and June 2000, respectively. She further obtained her doctor's degree in international trade from Hunan University (湖南大學) in the PRC in June 2006. She obtained the Lawyer Qualification Certificate (律師資格證書) issued by the Lawyer Qualification Review Committee of the Ministry of Justice of the People's Republic of China (中華人民共和國司法部律師資格審查委員會) in May 1999 and the Independent Director Qualification Certificate (獨立董事資格證書) issued by the Shenzhen Stock Exchange in April 2021.

Dr. Hou has been serving as an arbitrator of Shenzhen Court of International Arbitration (深圳國際仲裁院) (also known as Shenzhen Arbitration Commission (深圳仲裁委員會)) since February 2019 and Dongguan Arbitration Commission (東莞仲裁委員會) since April 2022.

**Mr. Liu Zhonghua (劉中華) (with a former Chinese name 劉忠華)**, aged 61, was appointed as our independent non-executive Director on May 18, 2021. He is primarily responsible for supervising and providing independent judgment and professional advice to our Board.

Mr. Liu served as the professor in the School of Accounting of Lanzhou Commercial College (蘭州商學院) (now known as Lanzhou University of Finance and Economics (蘭州財經大學)) previously and the School of Accounting of Guangdong University of Foreign Studies (廣東外語外貿大學) since September 2005.

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## DIRECTORS AND SENIOR MANAGEMENT

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In addition to the working experience above, Mr. Liu also served as an independent director of GEM Co., Ltd. (格林美股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002340), from March 2019 to April 2025, and has been serving as an independent director of Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000987)), since July 2022, and Guangdong Guangzhou Daily Media Co., Ltd. (廣東廣州日報傳媒股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002181)) since August 2025.

Mr. Liu obtained a bachelor's degree in financial accounting from Lanzhou Commercial College (蘭州商學院) (now known as Lanzhou University of Finance and Economics (蘭州財經大學)) in the PRC in July 1985, completed the postgraduate program in accounting at Tianjin University of Finance and Economics (天津財經學院) in the PRC in July 1988 and obtained a master's degree in software engineering from Huazhong University of Science and Technology (華科技大學) in the PRC in June 2009. Mr. Liu holds the Certified Practising Accountants Certificate issued by CPA Australia in June 2016, and was honored as Nanyue Outstanding Educator (南粵優秀教師) in September 2018 by the Department of Education of Guangdong Province (廣東省教育廳), the Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳) and Guangdong Provincial Federation of Trade Unions (廣東省總工會).

**Ms. Song Yuhong (宋宇紅)**, aged 55, was appointed as our independent non-executive Director on May 18, 2021. She is primarily responsible for supervising and providing independent judgment and professional advice to our Board.

Ms. Song has extensive legal practice experience and is deeply involved in the field of finance and securities legal services, specializing in the legal field of financial and securities law. She is a partner and lawyer at DeHeng Law Offices (Shenzhen) (北京德恒(深圳)律師事務所), where she mainly provides litigation and non-litigation legal services in the field of finance and securities, including financial and securities litigation and arbitration, domestic and overseas listings and mergers and acquisitions, asset management, collection and disposal, company capital operation and investment mergers and acquisitions, corporate bankruptcy reorganization and liquidation, family property trust and wealth management.

Ms. Song obtained her bachelor's degree in law from Southwest University of Political Science and Law (西南政法大學) in the PRC in July 1992, her master's degree in law from Wuhan University (武漢大學) in the PRC in December 2001 and in business administration from Ecole Supérieure de Gestion Paris in France in February 2002, the Lawyer Qualification (律師資格) issued by the Ministry of Justice of the People's Republic of China (中華人民共和國司法部) in July 1994 and Lawyer's Practice Certificate (律師執業證) issued by the Department of Justice of Guangdong Province (廣東省司法廳) and Guangdong Lawyers Association (廣東省律師協會) in May 1995.

Save as disclosed in this section, each of our Directors has confirmed that he/she has no other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of our Company and none of our Directors has held any other directorships in listed companies during the three years immediately preceding the date of this prospectus.

Save as disclosed in this section, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Each of our Directors has confirmed that he/she obtained the legal advice on July 23, 2025 or July 28, 2025 with regard to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

## DIRECTORS AND SENIOR MANAGEMENT

Each of our independent non-executive Directors has confirmed his/her independence with regards to each of the factors as set out in Rules 3.13(1) to (8) of the Listing Rules and that there are no other factors that may affect his/her independence at the time of his/her appointment.

### SENIOR MANAGEMENT

Our executive Directors and our senior management members are responsible for the day-to-day operations and management of our business. The table below sets out the key information of our senior management:

| Name                              | Age | Date of joining our Group | Existing position(s) in our Group                              | Roles and responsibilities                                                                                                  | Relationship with other Directors and senior management |
|-----------------------------------|-----|---------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Ms. Wang Laichun<br>(王來春) . . . . | 59  | May 24, 2004              | Chairlady of our Board, executive Director and general manager | Responsible for the overall strategic planning and major business decisions of our Group                                    | Sister of Mr. Wang                                      |
| Mr. Qian Jiwen<br>(錢繼文) . . . .   | 52  | April 18, 2016            | Executive Director and vice general manager                    | Responsible for the management and operations of the consumer electronics terminal antenna business department of our Group | None                                                    |
| Mr. Hao Jie<br>(郝杰) . . . . .     | 44  | October 19, 2017          | Executive Director and vice general manager                    | Responsible for the management and operations of the system-in-package business department of our Group                     | None                                                    |
| Ms. Xiao Yunxi<br>(肖雲兮) . . . .   | 39  | September 10, 2009        | Board secretary                                                | Responsible for the corporate governance, investor relations and company secretarial matters of our Group                   | None                                                    |
| Mr. Wu Tien-sung<br>(吳天送) . . . . | 56  | June 1, 2011              | Financial director                                             | Responsible for the financial management of our Group                                                                       | None                                                    |

For the biography of Ms. Wang, Mr. Qian Jiwen and Mr. Hao Jie, see “—Board of Directors —Executive Directors” above.

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## DIRECTORS AND SENIOR MANAGEMENT

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**Ms. Xiao Yunxi (肖雲兮)**, aged 39, joined our Group on September 10, 2009 as a strategic procurement specialist. She then served as the global marketing business head from June 2013 to December 2021, the securities affairs director from December 2021 to September 2022, the investor relations manager from September 2022 to June 2024, and was appointed as our Board secretary on July 5, 2024. She is primarily responsible for the corporate governance, investor relations and company secretarial matters of our Group.

Ms. Xiao obtained her bachelor's degree in economics from Shanghai Institute of Foreign Trade (上海對外貿易學院) (now known as Shanghai University of International Business and Economics (上海對外經貿大學)) in the PRC in July 2009.

**Mr. Wu Tien-sung (吳天送)**, aged 56, joined our Group on June 1, 2011 as the head of financial department and was appointed as the financial director on April 15, 2019. He is primarily responsible for the financial management of our Group.

Mr. Wu has extensive experience in the financial and accounting industry. Prior to joining our Group, from July 1996 to July 1999, Mr. Wu worked at Deloitte Taiwan (勤業眾信會計師事務所). From August 1999 to March 2009, he successively worked at Yuanta Securities (元大證券), P-Two Industries Inc. (禾昌興業股份有限公司) (a company trading on the Taipei Exchange (stock code: 6158)), Uniwill Computer Corp. (志合電腦股份有限公司) and Ichia Technologies, Inc (毅嘉科技股份有限公司).

Mr. Wu obtained his bachelor's degree in management from Taiwan Industrial Technology Institute (台灣工業技術學院) in the PRC in June 1994.

### JOINT COMPANY SECRETARIES

**Ms. Xiao Yunxi (肖雲兮)** was appointed as a joint company secretary of our Company on July 23, 2025. For details of her background, please refer to “—Senior Management” above.

**Ms. Leung Wai Yan (梁慧欣)** was appointed as a joint company secretary of our Company on July 23, 2025. Ms. Leung currently serves as a manager of corporate services of Vistra Corporate Services (HK) Limited. She has over 17 years of experience in providing company secretarial services and compliance services to listed companies and private companies.

Ms. Leung is currently serving as the company secretary at Akeso, Inc. (康方生物科技(開曼)有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9926), and a joint company secretary at Cryofocus Medtech (Shanghai) Co., Ltd. (康豐生物科技(上海)股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6922), Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1238) and Powerlong Commercial Management Holdings Limited (寶龍商業管理控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9909).

Ms. Leung obtained a master of laws majoring in corporate and financial law from The University of Hong Kong in July 2024 and graduated from University of South Australia in Australia with a bachelor's degree in business (administrative management) in April 2004. Ms. Leung has been an associate member of Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute in the United Kingdom since October 2009.

### BOARD COMMITTEES

We have established the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategic Committee under the Board in accordance with the relevant laws and regulations in the PRC, the Articles of Association and the Listing Rules, and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

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## DIRECTORS AND SENIOR MANAGEMENT

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### **Audit Committee**

We have established the Audit Committee with written terms of reference in compliance with code provision D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three members, namely Mr. Liu Zhonghua, Dr. Hou Lingling and Ms. Song Yuhong. The chairman of our Audit Committee is Mr. Liu Zhonghua, who is our independent non-executive Director and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee include, but are not limited to, (i) monitoring and evaluating our internal audit work; (ii) making recommendations to our Board on the appointment, reappointment and change of the external auditor, and the remuneration and terms of engagement of external auditor; (iii) overseeing our financial reporting system, risk management and internal control systems; (iv) reviewing the financial information and its disclosure of our Company, reviewing and providing advice and comments on our financial reports; (v) communication and coordination among our management team, internal audit department and related departments and external auditors; and (vi) performing other duties and responsibilities as assigned by our Board and/or required by the relevant laws and regulations.

### **Remuneration and Appraisal Committee**

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with code provision E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three members, namely Ms. Song Yuhong, Mr. Liu Zhonghua and Dr. Hou Lingling. Ms. Song Yuhong is the chairlady of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, (i) researching, reviewing and formulating the remuneration plans, policies or schemes of Directors and senior management; (ii) establishing the assessment criteria for Directors and senior management; (iii) making recommendations to our Board on the overall remuneration policies and structure of the Directors and senior management, and the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (iv) making recommendations to our Board on the remuneration of non-executive Directors; and (v) making recommendations to our Board on formulating or amending the share option incentive plans, employee stock ownership plans, options to be granted and fulfillment of the exercise conditions.

### **Nomination Committee**

We have established the Nomination Committee with written terms of reference in compliance with code provision B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three members, namely Dr. Hou Lingling, Ms. Wang Laichun and Mr. Liu Zhonghua. Dr. Hou Lingling is the chairlady of the Nomination Committee.

The primary duties of the Nomination Committee include, but are not limited to, (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually, assist the board in maintaining a board skills matrix and make recommendations to our Board regarding any proposed changes to the composition of our Board in support of our Company's strategies; (ii) identifying, selecting qualified individuals for directorship, reviewing and assessing the suitability of the proposed Directors and senior management candidates and their eligibility; (iii) assessing the independence of our independent non-executive Directors; (iv) making recommendations to our Board on relevant matters relating to the nomination, appointment, re-appointment and removal of our Directors, succession planning for our Directors and appointment or removal of the senior management members; and (v) supporting the regular evaluation of our Board's performance.



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## DIRECTORS AND SENIOR MANAGEMENT

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### Strategic Committee

We have established the Strategic Committee with written terms of reference in compliance with the Articles of Association. The Strategic Committee consists of three members, namely Dr. Hou Lingling, Ms. Wang Laichun and Mr. Liu Zhonghua. Dr. Hou Lingling is the chairlady of the Strategic Committee.

The primary duties of the Strategic Committee include, but are not limited to, (i) studying and advising on long term development plans, business objectives, development strategies and business strategies of our Company; (ii) studying and advising on major investment and financing proposals that are subject to Board approval as stipulated by the Articles of Association; (iii) studying and advising on major capital operations and financing schemes that are subject to Board approval as stipulated by the Articles of Association; (iv) studying and advising on any other significant events that affect the development of our Company; and (v) monitoring the implementation of the aforesaid matters.

### BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve and maintain diversity of our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at our Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, location, industry experience, knowledge and years of service. All Board appointments will be based on meritocracy and candidates will be considered against appropriate conditions, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of genders, age, knowledge, skills and experience, including but not limited to overall management and strategic development, business administration, economics, accounting and law. We have three independent non-executive Directors with economics, law and accounting backgrounds and qualifications. Furthermore, our Directors are of a wide range of age, from 30 years old to 61 years old.

Our Nomination Committee is responsible for reviewing the board diversity policy. After Listing, our Nomination Committee will evaluate and report the composition of our Board, monitor and report the implementation of the board diversity policy and disclose in our corporate governance report together with the summary of the board diversity policy and any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis.

### CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the Corporate Governance Code and the associated Listing Rules after the Listing save for the deviation as mentioned below. Any deviation from the code provisions shall be carefully considered, and the reasons for any deviation and explanation of how good corporate governance was achieved by means other than strict compliance with the code provisions shall be given in the interim report and the annual report in respect of relevant period.

According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Wang is currently the chairlady of our Board and general manager of our Company. In view of the fact that Ms. Wang has been assuming the responsibilities in the overall strategic planning, business direction and operational management of our Group since our establishment, our Board believes that it is in the best interest of our Group to have Ms. Wang taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to



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## DIRECTORS AND SENIOR MANAGEMENT

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work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committees, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

As Ms. Wang, the chairlady of the Board, is not an independent non-executive Director, pursuant to paragraph C.1.8 of Part 2 of the Corporate Governance Code, our Company has designated Dr. Hou Lingling as the lead independent non-executive Director. The role is not an executive position in our Company and does not have any management role in our Group. As a lead independent non-executive Director, Dr. Hou will (a) serve as an intermediary for the other Directors and Shareholders; and (b) be available to other Directors and Shareholders where normal communication channels with the chairlady or management are inadequate.

### COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation from our Group in the form of fees, wages and salaries, discretionary bonuses, social security costs, housing benefits and employee welfare and share-based compensation expenses.

The total amount of remuneration recorded for our Directors in respect of the years ended December 31, 2023, 2024 and 2025 was RMB15.3 million, RMB22.2 million and RMB31.2 million, respectively. Save as disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The aggregate amount of wages, salaries and bonuses, share-based compensation expenses, pension obligations, housing funds, medical insurances and other social insurances recorded for our Company's five highest paid individuals (including two, two and three Directors) in respect of the years ended December 31, 2023, 2024 and 2025 was RMB30.5 million, RMB30.7 million and RMB73.0 million, respectively.

No remuneration was paid by our Company to, or receivable by our Directors and senior management or the five highest paid individuals as an inducement to join or upon joining our Company as a compensation for loss of office in respect of the years ended December 31, 2023, 2024 and 2025.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind and discretionary bonuses) of our Directors for the year ending December 31, 2026 is estimated to be no more than approximately RMB22 million.

Further, none of our Directors or senior management had waived or agreed to waive any remuneration during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the Listing, receive recommendations from the remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and performance of our Group.

### COMPETITION

Each of our Directors (excluding our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

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## DIRECTORS AND SENIOR MANAGEMENT

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### FURTHER INFORMATION

We operate a number of business lines in various countries and regions around the world, our executive Directors and our senior management members are responsible for the day-to-day operations and management of our business.

Our rapid development resulted in competition with industry peers in Taiwan. During the Track Record Period, our chairlady faced investigations and allegations of breach of local regulations from relevant Taiwan authorities in connection with certain business activities of our subsidiaries and related parties in Taiwan, primarily concerned the acquisition of Speed Tech Technology Co., Ltd. (the “**Taiwan Company**”). It was alleged that prior to the Taiwan Acquisition, we had acquired shares of the Taiwan Company through other third parties for the purpose of bypassing regulatory approvals. Please see “History and Corporate Structure—Acquisitions, Disposals and Mergers” for the Taiwan Acquisition. The Taiwan Acquisition was an investment decision of our Company after considering the competitive strengths and business prospects of the Taiwan Company at the time of the acquisition. None of our Company, Directors or senior management has, directly or indirectly, acquired shares of the Taiwan Company through any third party. During the Track Record Period, up to the Latest Practicable Date and going forward, we were entitled and will still be entitled to all shareholder’s and economic rights (including dividends) derived from our shareholding in the Taiwan Company.

For each of the three years ended December 31, 2025, (i) the assets of the Taiwan Company accounted for approximately 3.4%, 2.8% and 2.4%, respectively, of our total asset; (ii) the revenue generated from the Taiwan Company accounted for approximately 1.7%, 1.9% and 1.7%, respectively, of our total revenue; and (iii) the net profit of the Taiwan Company attributable to parent company accounted for approximately 0.3%, 0.6% and 0.6%, respectively, of our net profit. Having considered the regulatory framework in Taiwan as disclosed in the “Regulatory Overview—Laws and regulations relating to our business operations in Taiwan” and the relatively small scale of the Taiwan Company to our Group, our Directors are of the view that, during the Track Record Period, up to the Latest Practicable Date and going forward, such investigations and allegations had not had, nor will they have, any material impact on our business, financial condition and results of operations. Based on the following factors, our Directors are of the view that such investigations and allegations do not impugn our Company’s suitability for listing under Rule 8.04 of the Listing Rules or any Director’s suitability under Rules 3.08 and 3.09 of the Listing Rules: (i) such allegations are groundless and unsubstantiated as none of our Company, chairlady, Directors or senior management has, directly or indirectly, acquired shares of the Taiwan Company through any third party; (ii) as advised by the Taiwan legal advisor of our Company, on the basis that the third party, who was alleged by the Taiwan authorities to have acquired shares of the Taiwan Company on our behalf, is not originated from Chinese Mainland, such third party’s acquisition of shares of the Taiwan Company is not subject to the Taiwan investment-related regulations applicable to mergers and acquisitions by Chinese Mainland enterprises, and such third party has not been prosecuted by the Taiwan authorities in connection with such allegations; (iii) we have obtained all necessary approvals and made all necessary filings in relation to the Taiwan Acquisition in accordance with the applicable Taiwan laws; (iv) the shareholding structure and publicly available information of the Taiwan Company do not reflect any nominee shareholding arrangement as alleged; (v) the Taiwan legal advisor of our Company, after making due and reasonable inquiries, is in general agreement with our Directors’ view above; (vi) as advised by the Taiwan legal advisor of our Company, such allegations by the Taiwan authorities against our chairlady do not constitute a circumstance under the relevant Taiwan laws that will otherwise disqualify her from acting as a director or senior management member of a listed company in Taiwan; and (vii) the scale of operation and financial contribution of the Taiwan Company to our Group is relatively small. Based on the due diligence conducted, including, without limitation, discussions to understand background of the Taiwan Acquisition and the relevant allegations concerning the Taiwan Acquisition, the relevant regulatory requirements relating to the Taiwan Acquisition and the legal implications of the allegations and a review of documents relating to the Taiwan Acquisition, the allegations and its legal implications, as well as the financial information of the Taiwan Company for the Track Record Period, nothing material has come to the Joint Sponsors’ attention that would reasonably cause the Joint Sponsors to disagree with the Directors’ view.

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## DIRECTORS AND SENIOR MANAGEMENT

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### COMPLIANCE ADVISOR

We have appointed Frontpage Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;
- where a transaction, which might be notifiable or connected transaction, is contemplated including shares issues, sales or transfers of treasury shares and share repurchases;
- where our Company proposes to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company distributes our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

### SHARE OPTION INCENTIVE PLANS

Our Company and its subsidiaries may, from time to time, adopt share option incentive plans. For details of the Share Option Incentive Plans which involve the issuance of new A Shares, see section headed “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans.”

## CONNECTED TRANSACTIONS

### OVERVIEW

Our Group has entered into a number of agreements with parties who will, upon completion of Listing, become our connected persons, and the transactions disclosed in this section will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon Listing.

### OUR CONNECTED PERSONS

Our Group has entered into agreements with the following connected persons, the transactions contemplated under such agreements will constitute our continuing connected transactions upon Listing:

| Connected persons                                                                   | Principal business                                                                                                                                                                      | Connected relationship                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates)      | (i) Design, development and manufacture of advanced interface solutions for vehicle interiors; and (ii) provision of original equipment manufacturer services for mobile phone assembly | Luxshare Limited is one of our Controlling Shareholders.                                                                                                                                                                                                                                                             |
| Hsin Hong (for itself and on behalf of the Hsin Hong Group)                         | Development and manufacture of soft goods and provision of solutions in the field of soft material applications                                                                         | Hsin Hong is wholly owned by Ms. Wang Laijiao, a sister of Ms. Wang and Mr. Wang, who are our Controlling Shareholders and executive Directors.                                                                                                                                                                      |
| Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group) | Design, development, manufacture and sales of camera modules and optical components used in smartphones, laptops, automotives, printers, scanners and other emerging sectors            | Luxvisions Innovation is a 48.06%-owned subsidiary of Luxvisions Innovation Limited (立景創新有限公司), which in turn is owned as to 56.34% by Mr. Wang Laixi, a brother of Ms. Wang and Mr. Wang, and 43.66% by Luxsan Limited (景汕有限公司), which is owned as to 34% by Ms. Wang, 33% by Mr. Wang and 33% by Ms. Wang Laijiao. |
| Cowell (for itself and on behalf of the Cowell Group)                               | Design, development, manufacture and sales of camera modules used in smartphones and multimedia tablets and equipment comprising modules and LiDAR machines                             | As of the Latest Practicable Date, Cowell was owned as to 69.92% by Luxvisions Innovation.                                                                                                                                                                                                                           |

### SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

| Continuing connected transactions | Applicable Listing Rules | Waiver sought | Proposed annual caps for the years ending December 31, |      |      |
|-----------------------------------|--------------------------|---------------|--------------------------------------------------------|------|------|
|                                   |                          |               | 2026                                                   | 2027 | 2028 |
| (RMB in million)                  |                          |               |                                                        |      |      |

#### A. Fully-exempt continuing connected transactions

|                                                                  |           |     |      |      |      |
|------------------------------------------------------------------|-----------|-----|------|------|------|
| 1. Property Leasing Framework Agreement <sup>(1)</sup> . . . . . | 14A.76(1) | N/A | 18.0 | 19.0 | 20.0 |
|------------------------------------------------------------------|-----------|-----|------|------|------|

## CONNECTED TRANSACTIONS

| Continuing connected transactions                                        | Applicable Listing Rules | Waiver sought | Proposed annual caps for the years ending December 31, |       |       |
|--------------------------------------------------------------------------|--------------------------|---------------|--------------------------------------------------------|-------|-------|
|                                                                          |                          |               | 2026                                                   | 2027  | 2028  |
|                                                                          |                          |               | <i>(RMB in million)</i>                                |       |       |
| 2. Tenancy Framework Agreement <sup>(1)</sup> . . . . .                  | 14A.76(1)                | N/A           | 99.0                                                   | 108.9 | 120.0 |
| 3. Provision of Labor Services Framework Agreements <sup>(1)</sup> . . . | 14A.76(1)                | N/A           | 113.1                                                  | 124.3 | 136.8 |
| 4. Receipt of Labor Services Framework Agreement <sup>(1)</sup> . . .    | 14A.76(1)                | N/A           | 12.7                                                   | 14.0  | 15.4  |

### B. Non-exempt continuing connected transactions (subject to the reporting, annual review and announcement requirements)

|                                                                    |           |              |         |         |         |
|--------------------------------------------------------------------|-----------|--------------|---------|---------|---------|
| 1. Products Purchase Framework Agreements <sup>(1)</sup> . . . . . | 14A.76(2) | Announcement | 2,950.0 | 3,175.0 | 3,417.5 |
| 2. Products Supply Framework Agreements <sup>(1)</sup> . . . . .   | 14A.76(2) | Announcement | 5,323.8 | 5,860.2 | 6,429.6 |

*Note:*

- (1) Time Interconnect is a non-wholly owned subsidiary of our Company. Given that Time Interconnect is a company listed on the Main Board of the Stock Exchange (stock code: 1729), it has separately entered into the connected transaction agreement with each of its connected persons based on the compliance and independent operational requirements under the Listing Rules. Accordingly, the connected transaction agreements entered into between our Company (for ourselves and on behalf of the Luxshare Precision Group) and our connected persons has been entered into separately and excludes Time Interconnect.

### A. CONTINUING CONNECTED TRANSACTIONS FULLY EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT, CIRCULAR AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

#### 1. Property Leasing Framework Agreement

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a property leasing framework agreement (the “**Property Leasing Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to lease certain premises to the Luxshare Limited Associates for office and/or production uses.

The Property Leasing Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Luxshare Limited Associates to the Luxshare Precision Group under the Property Leasing Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the historical transaction amounts paid, the prevailing market rent of comparable properties in the proximity of the premises and the water and electricity charges as promulgated by relevant local regulatory authorities.

The Luxshare Precision Group commenced to lease premises to the Luxshare Limited Associates in 2025. The total transaction amount for the lease of the premises paid by the Luxshare Limited Associates to the Luxshare Precision Group for the year ended December 31, 2025 was RMB17.0 million.

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## CONNECTED TRANSACTIONS

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Our Directors estimate that the maximum transaction amount payable by the Luxshare Limited Associates to the Luxshare Precision Group under the Property Leasing Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB18.0 million, RMB19.0 million and RMB20.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group for the lease of premises and water and electricity charges during the Track Record Period. In particular, the Luxshare Precision Group began leasing more premises to the Luxshare Limited Associates in May 2025; (ii) the geographical locations of the premises rented to the Luxshare Limited Associates and the prevailing market rent of comparable properties in the proximity of the premises; and (iii) the estimated demand of the premises rent to the Luxshare Limited Associates and the water and electricity charges for the three years ending December 31, 2028.

### **2. Tenancy Framework Agreement**

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a tenancy framework agreement (the “**Tenancy Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group will lease certain premises from the Luxshare Limited Associates for office and/or production uses (excluding such leases that will be recognized as a right-of-use asset in the consolidated statement of financial position of the Luxshare Precision Group pursuant to IFRS 16).

The Tenancy Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Luxshare Precision Group for the lease of premises under the Tenancy Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the historical transaction amounts paid by the Luxshare Precision Group, the prevailing market rent of comparable properties in the proximity of the premises and the water and electricity charges as promulgated by relevant local regulatory authorities.

The total transaction amounts for the lease of the premises and water and electricity charges paid by the Luxshare Precision Group to the Luxshare Limited Associates (excluding such leases that were recognized as a right-of use asset in the consolidated statement of financial position of the Luxshare Precision Group pursuant to IFRS 16) for each of the three years ended December 31, 2025 were RMB39.9 million, RMB57.4 million and RMB90.0 million, respectively.

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Luxshare Limited Associates under the Tenancy Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB99.0 million, RMB108.9 million and RMB119.8 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Precision Group to the Luxshare Limited Associates for the lease of premises and water and electricity charges during the Track Record Period; (ii) the geographical locations of the premises rent by the Luxshare Limited Associates to the Luxshare Precision Group and the prevailing market rent of comparable properties in the proximity of the premises; and (iii) the estimated demand of the premises rent by the Luxshare Limited Associates to the Luxshare Precision Group and water and electricity charges under the Tenancy Framework Agreement for the three years ending December 31, 2028.

### ***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 Property Leasing Framework Agreement and the Tenancy Framework Agreement is expected to be less than 0.1% on an annual basis, the transactions



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## CONNECTED TRANSACTIONS

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contemplated under the Property Leasing Framework Agreement and the Tenancy Framework Agreement will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will, upon the Listing, be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### 3. Provision of Labor Services Framework Agreements

#### (1) *Luxshare Limited Provision of Labor Services Framework Agreement*

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a provision of labor services framework agreement (the “**Luxshare Limited Provision of Labor Services Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to provide to the Luxshare Limited Associates certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the support of operation, technical consulting and equipment and system maintenance services, as required by the Luxshare Limited Associates from time to time. The demand for the labor services are primarily based on the plan of the Luxshare Limited Associates to accelerate process automation to upgrade its production capacity and the procurement of automated machines and systems from the Luxshare Precision Group in specific projects and the service periods depend on the progress of projects. All the service personnel providing such labor services are our employees. As advised by our PRC Legal Advisors, the Luxshare Precision Group is not required to obtain any licenses or permits to provide such labor services.

The Luxshare Limited Provision of Labor Services Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Luxshare Limited Associates under the Luxshare Limited Provision of Labor Services Framework Agreement shall be based primarily on the costs and expenses of providing such labor services, taking into account the techniques and experience required, plus a 6% service markup.

The total transaction amounts for the provision of labor services to the Luxshare Limited Associates for each of the three years ended December 31, 2025 were RMB18.7 million, RMB74.4 million and RMB128.6 million, respectively.

Our Directors estimate that the maximum transaction amount payable by the Luxshare Limited Associates to the Luxshare Precision Group under the Luxshare Limited Provision of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB90.1 million, RMB99.1 million and RMB109.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group in relation to the labor services provided by the Luxshare Precision Group during the Track Record Period; (ii) The significant increase in the transaction amount for the year ended December 31, 2025 was primarily due to Luxshare Limited Associates' establishment of a new automated factory in Indonesia, which drove the demand for technical consulting and automation system development services from the Luxshare Precision Group. Following the completion of the factory setup in 2025, ongoing equipment and system maintenance services for the new automation system are expected to be required for the three years ending December 31, 2028; (iii) the expected demand of labor services from the Luxshare Limited Associates for the three years ending December 31, 2028 due to its plan to accelerate process automation to upgrade its production capacity which requires more technical consulting, equipment and system maintenance services for the automated machines procured from the Luxshare Precision Group; and (iv) the estimated costs and expenses of labor services according to, among other things, the level of techniques and experience required.

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## CONNECTED TRANSACTIONS

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### **(2) Hsin Hong Provision of Labor Services Framework Agreement**

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a provision of labor services framework agreement (the “**Hsin Hong Provision of Labor Services Framework Agreement**”) with Hsin Hong (for itself and on behalf of the Hsin Hong Group), pursuant to which the Luxshare Precision Group agreed to provide to the Hsin Hong Group certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the equipment and system maintenance and technical consulting services, as required by the Hsin Hong Group from time to time. The demand for the labor services are primarily based on the plan of the Hsin Hong Group to accelerate process automation to upgrade its production capacity and the procurement of automated machines and systems from the Luxshare Precision Group in specific projects and the service periods depend on the progress of projects. All the service personnel providing such labor services are our employees. As advised by our PRC Legal Advisors, the Luxshare Precision Group is not required to obtain any licenses or permits to provide such labor services.

The Hsin Hong Provision of Labor Services Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Hsin Hong Group under the Hsin Hong Provision of Labor Services Framework Agreement shall be based primarily on the costs and expenses of providing such labor services, taking into account the techniques and experience required, plus a 6% service markup.

The total transaction amounts for the provision of labor services to the Hsin Hong Group for each of the three years ended December 31, 2025 were RMB0.4 million, RMB4.4 million and RMB4.5 million, respectively.

Our Directors estimate that the maximum transaction amount payable by the Hsin Hong Group to the Luxshare Precision Group under the Hsin Hong Provision of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB4.9 million, RMB5.3 million and RMB5.9 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Hsin Hong Group to the Luxshare Precision Group in relation to the labor services provided by the Luxshare Precision Group during the Track Record Period; (ii) the expected increase of approximately 10% in the labor services demand from the Hsin Hong Group for the three years ending December 31, 2028 due to its operation needs; and (iii) the estimated costs and expenses of labor services according to, among other things, the level of techniques and experience required.

### **(3) Cowell Provision of Labor Services Framework Agreement**

On December 29, 2025, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a provision of labor services framework agreement (the “**Cowell Provision of Labor Services Framework Agreement**”) with Cowell (for itself and on behalf of the Cowell Group), pursuant to which the Luxshare Precision Group agreed to provide to the Cowell Group certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the equipment and system maintenance and technical consulting services, as required by the Cowell Group from time to time. The demand for the labor services are primarily based on the plan of the Cowell Group to accelerate process automation to upgrade its production capacity and the procurement of automated machines and systems from the Luxshare Precision Group in specific projects and the service periods depend on the progress of projects. All the service personnel providing such labor services are our employees. As advised by our PRC Legal Advisors, the Luxshare Precision Group is not required to obtain any licenses or permits to provide such labor services.

## CONNECTED TRANSACTIONS

The Cowell Provision of Labor Services Framework Agreement has a term commencing from January 1, 2026 to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by Cowell Group to the Luxshare Precision Group under the Cowell Provision of Labor Services Framework Agreement shall be mainly determined on the basis of the costs and expenses for providing such labor services according to the techniques and experience required for the relevant work tasks, plus a service markup of 6% of such costs and expenses.

The total transaction amounts for the provision of labor services to the Cowell Group for each of the three years ended December 31, 2025 were RMB0.1 million, RMB7.6 million and RMB12.3 million, respectively.

Our Directors estimate that the maximum transaction amount payable by the Cowell Group to the Luxshare Precision Group under the Cowell Provision of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB18.1 million, RMB19.9 million and RMB21.9 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Cowell Group to the Luxshare Precision Group in relation to the labor services provided by the Luxshare Precision Group during the Track Record Period, representing an approximately 60% increase from 2024 to 2025; (ii) the expected increase of approximately 50% in the transaction amount from 2025 to 2026, having considered (i) the Cowell Group's plan to upgrade process automation and enhance its overseas production capacity, which will drive more demand for technical consulting, automation system development and maintenance services from the Luxshare Precision Group in 2026; and (ii) the higher costs and expenses associated with labor services overseas and the level of techniques and experience required to upgrade process automation; (iii) the expected annual increase of approximately 10% in the transaction amount for each year from 2026 to 2028, having considered (a) the ongoing technical consulting and automation system maintenance services following the upgrade of process automation and procurement of automated machines; (b) the estimated costs and expenses of labor services; and (c) the potential fluctuation in foreign exchange rate.

### Aggregation

Since the Luxshare Limited Provision of Labor Services Framework Agreement, the Hsin Hong Provision of Labor Services Framework Agreement and the Cowell Provision of Labor Services Framework Agreement (the “**Provision of Labor Services Framework Agreements**”) are similar in nature, the transactions under the Provision of Labor Services Framework Agreements should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual cap amounts for the three years ending December 31, 2028 in respect of the Provision of Labor Services Framework Agreements are as follows:

|                                                                            | For the year ending December 31, |                    |                    |
|----------------------------------------------------------------------------|----------------------------------|--------------------|--------------------|
|                                                                            | 2026                             | 2027               | 2028               |
|                                                                            | <i>RMB million</i>               | <i>RMB million</i> | <i>RMB million</i> |
| <b>Annual caps</b>                                                         |                                  |                    |                    |
| Luxshare Limited Provision of Labor Services Framework Agreement . . . . . | 90.1                             | 99.1               | 109.0              |
| Hsin Hong Provision of Labor Services Framework Agreement . . . . .        | 4.9                              | 5.3                | 5.9                |
| Cowell Provision of Labor Services Framework Agreement . . . . .           | 18.1                             | 19.9               | 21.9               |
| <b>Aggregate . . . . .</b>                                                 | <b>113.1</b>                     | <b>124.3</b>       | <b>136.8</b>       |

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## CONNECTED TRANSACTIONS

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As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Provision of Labor Services Framework Agreements is expected to be less than 0.1% on an annual basis, the transactions contemplated under the Provision of Labor Services Framework Agreements will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will, upon the Listing, be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The transactions contemplated under the Provision of Labor Services Framework Agreements enable our Group to utilize our surplus labor capacity to optimize our labor utilization, provide necessary equipment and system maintenance supports to customers after the sale of our automation equipment and system and broaden the revenue base of our Group. We believe that the entering into of the Provision of Labor Services Framework Agreements and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole.

Our Directors are of the view that the transactions contemplated under the Provision of Labor Services Framework Agreements would not impugn our operational independence from our Controlling Shareholders and there is no reliance of the Luxshare Precision Group on such labor services provided to the Luxshare Limited Associates, the Hsin Hong Group and the Cowell Group, given that (i) the labor services provided by the Luxshare Precision Group are primarily supporting services for non-key positions in the Luxshare Limited Associates, the Hsin Hong Group and the Cowell Group using our surplus labor capacity; (ii) the revenue generated from such labor services is immaterial, as each of the applicable percentage ratios under the Listing Rules in respect of the aggregated annual caps under the Provision of Labor Services Framework Agreements is expected to be less than 0.1% on an annual basis; and (iii) such transactions are conducted on normal commercial terms and not prejudicial to the interests of our Company and our Shareholders as a whole.

For the analysis on our independence from and clear delineation of business with our Controlling Shareholders, please refer to "Relationship with Our Controlling Shareholders—Delineation of business" and "Relationship with Our Controlling Shareholders—Independence from our Controlling Shareholders and their close associates."

#### 4. Receipt of Labor Services Framework Agreement

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a receipt of labor services framework agreement (the "**Receipt of Labor Services Framework Agreement**") with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group will receive from the Luxshare Limited Associates certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the maintenance and management services for factories and warehouses, and consulting services for smart warehousing solutions, as required by the Luxshare Precision Group from time to time.

The Receipt of Labor Services Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Luxshare Precision Group to the Luxshare Limited Associates under the Receipt of Labor Services Framework Agreement shall be based primarily on the costs and expenses of providing such labor services, taking into account the techniques and experience required, plus a 6% service markup.

The total transaction amounts for the receipt of labor services from the Luxshare Limited Associates for each of the three years ended December 31, 2025 were RMB9.4 million, RMB11.6 million and RMB13.8 million, respectively.

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## CONNECTED TRANSACTIONS

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Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to Luxshare Limited Associates under the Receipt of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB12.7 million, RMB14.0 million and RMB15.4 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Precision Group to Luxshare Limited Associates in relation to the labor services provided by Luxshare Limited Associates during the Track Record Period; (ii) the expected labor services demand from the Luxshare Precision Group each year for the three years ended December 31, 2028 due to our operation needs; and (iii) the estimated costs and expenses of labor services according to, among other things, the level of techniques and experience required.

We will regularly monitor our operational efficiency and evaluate the need for additional skilled and experienced labor with relevant technical and operational skills in order to meet the demand of such potential orders from time to time.

The Receipt of Labor Services Framework Agreement can allow our Group to operate efficiently while saving the costs and time to search for, hire and handle direct employment of relevant talents in the long run when the actual demand of such labor services is yet to ascertain and/or no suitable candidates are readily available, we believe that the entering into of the Receipt of Labor Services Framework Agreement and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole.

Our Directors are of the view that the transactions contemplated under the Receipt of Labor Services Framework Agreement would not impugn our operational independence from our Controlling Shareholders and there is no reliance of the Luxshare Precision Group on such labor services provided by the Luxshare Limited Associates, given that (i) the labor services provided by the Luxshare Limited Associates to the Luxshare Precision Group are primarily supporting services for non-key positions in the Luxshare Precision Group; (ii) the labor services provided by the Luxshare Limited Associates are readily available in the market from independent third party suppliers; (iii) each of the applicable percentage ratios under the Listing Rules in respect of the aggregated annual caps under the Receipt of Labor Services Framework Agreement is expected to be less than 0.1% on an annual basis; and (iv) such transactions are conducted on normal commercial terms and not prejudicial to the interests of our Company and our Shareholders as a whole.

For the analysis on our independence from and clear delineation of business with our Controlling Shareholders, please refer to “Relationship with Our Controlling Shareholders—Delineation of business” and “Relationship with Our Controlling Shareholders—Independence from our Controlling Shareholders and their close associates.”

### *Listing Rules implications*

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Receipt of Labor Services Framework Agreement is expected to be less than 0.1% on an annual basis, the transactions contemplated under the Receipt of Labor Services Framework Agreement will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will, upon the Listing, be fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **Commercial rationale of the cross-provision of labor services arrangements with Luxshare Limited Associates**

The Directors consider that the cross-provision of labor supporting services represents normal commercial arrangements commonly adopted among corporate groups with complementary operational capabilities and is in the interests of our Company and our Shareholders as a whole.



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## CONNECTED TRANSACTIONS

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The Luxshare Precision Group provides labor support to the Luxshare Limited Associates primarily in connection with operational support, technical consulting and equipment/system maintenance for automation-related projects. Such services mainly involve non-core personnel deployed on a project-by-project basis, depending on the progress of automation upgrades and automated machinery and systems procurement. Given the Luxshare Precision Group's technical expertise in automation solutions and advanced manufacturing, it is well positioned to provide such ancillary labor support efficiently, cost-effectively and on a timely basis.

The Luxshare Precision Group receives labor support from the Luxshare Limited Associates primarily in relation to factory and warehouse maintenance and management, as well as consulting services for smart warehousing solutions. These services are operational in nature and address the Luxshare Precision Group's needs in logistics, warehouse optimization and facilities management, where the Luxshare Limited Associates possess established operational expertise.

The scope and function of the services provided by each party are distinct and driven by operational efficiency. The arrangements enable each party to leverage the other's specialized expertise and existing workforce for non-core functions, avoid duplication of resources, enhance operational efficiency and facilitate flexible deployment of personnel to meet project-based and short-term operational needs.

The PRC Legal Advisors are of the view that the transactions contemplated under the Provision of Labor Services Framework Agreements and the Receipt of Labor Services Framework Agreement, where the counterparty(ies) are PRC domestic entities, do not contravene the applicable PRC labor laws and regulations.

### **B. CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM THE CIRCULAR AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS**

#### **1. Products Purchase Framework Agreements**

##### ***(1) Luxshare Limited Products Purchase Framework Agreement***

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products purchase framework agreement (the "**Luxshare Limited Products Purchase Framework Agreement**") with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to purchase the automotive and consumer electronics products, including automotive control switches, sensors, car audio systems and finished watch straps, from the Luxshare Limited Associates in accordance with its specifications and requirements from time to time.

The Luxshare Limited Products Purchase Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products purchase agreements setting out the specific terms and conditions based on the principles provided in the Luxshare Limited Products Purchase Framework Agreement.

The fees to be paid by the Luxshare Precision Group to the Luxshare Limited Associates for the purchases under the Luxshare Limited Products Purchase Framework Agreement shall be mainly determined based on arm's length negotiations between the parties and with reference to, among others, the number and specifications of products to be purchased by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Limited Associates to their independent third party customers.

The total transaction amounts for the purchase of products from the Luxshare Limited Associates for each of the three years ended December 31, 2025 were RMB1,236.2 million, RMB1,279.8 million and RMB1,108.2 million, respectively.



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## CONNECTED TRANSACTIONS

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Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Luxshare Limited Associates under the Luxshare Limited Products Purchase Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB1,200.0 million, RMB1,250.0 million and RMB1,300.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Precision Group to the Luxshare Limited Associates for the purchase of products during the Track Record Period; (ii) the expected demand of the relevant products required by the Luxshare Precision Group each year for the three years ending December 31, 2028 which is based on the transaction amount of RMB1,108.2 million in 2025, the current discussion between the Luxshare Precision Group and our customers and the business and production plan of the Luxshare Precision Group; (iii) the estimated costs of production of the required products; and (iv) the estimated market price of the required products.

### **(2) Hsin Hong Products Purchase Framework Agreement**

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products purchase framework agreement (the “**Hsin Hong Products Purchase Framework Agreement**”) with Hsin Hong (for itself and on behalf of the Hsin Hong Group), pursuant to which the Luxshare Precision Group agreed to purchase the consumer electronics products, including leather case components, plastic components and soft material applications for wearable consumer electronics, from the Hsin Hong Group in accordance with its specifications and requirements from time to time.

The Hsin Hong Products Purchase Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Luxshare Precision Group to the Hsin Hong Group for the purchases under the Hsin Hong Products Purchase Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products to be purchased by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Hsin Hong Group to their independent third party customers.

The total transaction amounts for the purchase of products from the Hsin Hong Group for each of the three years ended December 31, 2025 were RMB42.1 million, RMB152.7 million and RMB920.2 million, respectively.

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Hsin Hong Group under the Hsin Hong Products Purchase Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB1,100.0 million, RMB1,210.0 million and RMB1,331.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Precision Group to the Hsin Hong Group for the purchase of products during the Track Record Period, represented a 262.7% increase from 2023 to 2024 and a further 502.6% increase from 2024 to 2025; (ii) the historical transaction amount for the year ended December 31, 2025 increased to RMB920.2 million with the second half of 2025 contributing approximately 70% of the full-year amount, reflecting increased production ramp-up since the third quarter of 2025, which was driven by the heightened market attention and popularity of the wearable consumer electronics sector, as well as the launch of multiple new products, which led to a substantial increase in demand for the relevant products and ancillary components; (iii) the expected increase in the demand of the relevant products required by the Luxshare Precision Group which is based on the current discussion between the Luxshare Precision Group and our customers and the business and production plan of the Luxshare Precision Group. In particular, the Luxshare Precision Group has obtained new orders from its customers to produce new products since the third quarter of

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## CONNECTED TRANSACTIONS

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2025, which will lead to substantial increasing demand for raw materials such as leather products from the Hsin Hong Group for the year ending December 31, 2026 as compared to the historical demand during the Track Record Period; (iv) an expected annual increase of 10% in the transaction amounts from 2026 to 2028, having considered the (a) the Group's growing revenue at an approximate annual rate of 23.6% from 2024 to 2025; (b) potential fluctuations in foreign exchange rates; and (c) potential fluctuations in raw material costs for the production of the relevant products, which may impact procurement prices; (v) the estimated costs of production of the required products; and (vi) the estimated market price of the required products.

### **(3) Luxvisions Innovation Products Purchase Framework Agreement**

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products purchase framework agreement (the “**Luxvisions Innovation Products Purchase Framework Agreement**”) with Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group), pursuant to which the Luxshare Precision Group agreed to purchase the consumer electronics products, including smart camera module and XR modules, from the Luxvisions Innovation Group in accordance with its specifications and requirements from time to time.

The Luxvisions Innovation Products Purchase Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Luxshare Precision Group to the Luxvisions Innovation Group for the purchases under the Luxvisions Innovation Products Purchase Framework Agreement shall be mainly determined based on arm's length negotiations between the parties and with reference to, among others, the number and specifications of products purchased by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxvisions Innovation Group to their independent third party customers.

The total transaction amounts for the purchase of products from the Luxvisions Innovation Group for each of the three years ended December 31, 2025 were RMB0.5 million, RMB9.1 million and RMB48.3 million, respectively.

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Luxvisions Innovation Group under the Luxvisions Innovation Products Purchase Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB100.0 million, RMB110.0 million and RMB121.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Precision Group to the Luxvisions Innovation Group for the purchase of products during the Track Record Period, representing a 430.8% increase from 2024 to 2025; (ii) the expected demand of the relevant products required by the Luxshare Precision Group which is based on the current discussion between the Luxshare Precision Group and our customers and the business and production plan of the Luxshare Precision Group and is expected to increase due to the mass production of new products. In particular, the Luxshare Precision Group has been procuring substantial volume of XR modules from the Luxvisions Innovation Group since June 2025 for our production of XR smart devices. Specifically, the Luxshare Precision Group procured less than 5,000 XR modules in the first half of 2025 and more than 50,000 XR modules in the second half of 2025, reflecting the substantial increase in the demand of XR modules since the second half of 2025. It is expected that the demand for the relevant products for 2026 will continue the growth trend observed since the second half of 2025 as compared to the historical demand; (iii) an expected annual increase of 10% in the transaction amounts from 2026 to 2028, having considered the (a) the Group's growing revenue at an approximate annual rate of 23.6% from 2024 to 2025; (b) potential fluctuations in foreign exchange rates; and (c) potential fluctuations in raw material costs for the production of the relevant products, which may impact procurement prices; (iv) the estimated costs of production of the required products; and (v) the estimated market price of the required products.

## CONNECTED TRANSACTIONS

### *Aggregation*

Since the Luxshare Limited Products Purchase Framework Agreement, the Hsin Hong Products Purchase Framework Agreement and the Luxvisions Innovation Products Purchase Framework Agreement (the “**Products Purchase Framework Agreements**”) are similar in nature, the transactions under the Products Purchase Framework Agreements should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual cap amounts for the three years ending December 31, 2028 in respect of the Products Purchase Framework Agreements are as follows:

|                                                                       | For the year ending December 31, |                    |                    |
|-----------------------------------------------------------------------|----------------------------------|--------------------|--------------------|
|                                                                       | 2026                             | 2027               | 2028               |
|                                                                       | <i>RMB million</i>               | <i>RMB million</i> | <i>RMB million</i> |
| <b>Annual caps</b>                                                    |                                  |                    |                    |
| Luxshare Limited Products Purchase Framework Agreement . . . . .      | 1,200.0                          | 1,250.0            | 1,300.0            |
| Hsin Hong Products Purchase Framework Agreement . . . . .             | 1,100.0                          | 1,210.0            | 1,331.0            |
| Luxvisions Innovation Products Purchase Framework Agreement . . . . . | 100.0                            | 110.0              | 121.0              |
| <b>Aggregate</b> . . . . .                                            | <b>2,400.0</b>                   | <b>2,570.0</b>     | <b>2,752.0</b>     |

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Products Purchase Framework Agreements is expected to be more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Products Purchase Framework Agreements constitute continuing connected transactions for our Company which will, upon the Listing, be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### *Reasons for the transactions*

Having considered (i) the products purchased from the Luxshare Limited Associates, the Hsin Hong Group, and the Luxvisions Innovation Group are of high and stable quality; and (ii) the continuing friendly business relationship with the Luxshare Limited Associates, the Hsin Hong Group and the Luxvisions Innovation Group, we believe that the entering into of the Products Purchase Framework Agreements and the transactions contemplated thereunder enable the Luxshare Precision Group to procure the relevant products in high and stable quality standards that meet our specific requirements through a reliable source, thereby saving time and costs for us in sourcing such products as required, and are in the interest of our Company and our Shareholders as a whole.

## **2. Products Supply Framework Agreements**

### **(1) Luxshare Limited Products Supply Framework Agreement**

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the “**Luxshare Limited Products Supply Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to supply to the Luxshare Limited Associates the automotive and consumer electronics products, including wireless charging modules, vehicle cables, vehicle connectors, automotive antenna modules and automated machines, in accordance with its specifications and requirements from time to time.

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## CONNECTED TRANSACTIONS

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The Luxshare Limited Products Supply Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Luxshare Limited Associates to the Luxshare Precision Group for the purchases under the Luxshare Limited Products Supply Framework Agreement shall be mainly determined based on arm's length negotiations between the parties and with reference to, among others, the number and specifications of products to be supplied by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.

The total transaction amounts for the supply of products for each of the three years ended December 31, 2025 were RMB1,576.1 million, RMB1,744.9 million and RMB7,382.2 million, respectively. The rapid increase in the transaction amount for the year ended December 31, 2025 was primarily due to the increase of the supply of products by the Wingtech subsidiaries to the Luxshare Limited Associates as a result of our acquisition of the Wingtech subsidiaries.

Our Directors estimate that the maximum transaction amount payable by the Luxshare Limited Associates to the Luxshare Precision Group under the Luxshare Limited Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB1,919.5 million, RMB2,111.4 million and RMB2,322.5 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group for the purchase of products during the Track Record Period; (ii) the rapid increase in the historical transaction amount for the year ended December 31, 2025 due to the supply of products by the acquired Wingtech subsidiaries to the Luxshare Limited Associates on a transitional basis following our acquisition of the Wingtech subsidiaries. Specifically, shortly after the acquisition, the export channel of the acquired Wingtech subsidiaries through Hong Kong had not yet been fully established. As required by customers, the notebook whole-machine assembly business of the acquired Wingtech subsidiaries was temporarily shipped through a Hong Kong subsidiary of Luxshare Limited. Such transactions were transitional in nature and were entered into for operational and customer-driven reasons, with a total transaction amount of nearly RMB5.0 billion. Since December 2025, upon completion of the vendor code setup with customers, the notebook whole-machine assembly business of the acquired Wingtech subsidiaries has been shipped directly through our Group, and the transactions between the acquired Wingtech subsidiaries and the Luxshare Limited Associates has been terminated following the completion of such vendor code setup. (iii) an expected annual increase of 10% in the transaction amounts from 2026 to 2028, having considered the (a) the increase of the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group for the purchase of products during the Track Record Period represents an annual increase of more than 10%; (b) potential fluctuations in foreign exchange rates; and (c) potential fluctuations in raw material costs for the production of the relevant products, which may impact supply prices; (iv) the estimated costs of production of the required products; and (v) the estimated market price of the required products.

### **(2) Hsin Hong Products Supply Framework Agreement**

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the “**Hsin Hong Products Supply Framework Agreement**”) with Hsin Hong (for itself and on behalf of the Hsin Hong Group), pursuant to which the Luxshare Precision Group agreed to supply to the Hsin Hong Group the consumer electronics products, jigs and fixtures, manufacturing equipment and industrial components, including automated machines, button components, press-fit metal parts molds and fixtures, in accordance with its specifications and requirements from time to time.

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## CONNECTED TRANSACTIONS

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The Hsin Hong Products Supply Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by the Hsin Hong Group under the Hsin Hong Products Supply Framework Agreement shall be mainly based on arm's length negotiations between the parties and with reference to, among others, the number and specifications of products to be supplied and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.

The total transaction amounts for the supply of products by the Luxshare Precision Group to the Hsin Hong Group for each of the three years ended December 31, 2025 were RMB2.5 million, RMB12.6 million and RMB74.4 million, respectively.

Our Directors estimate that the maximum transaction amount payable by the Hsin Hong Group to the Luxshare Precision Group under the Hsin Hong Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB95.0 million, RMB104.5 million and RMB115.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Hsin Hong Group to the Luxshare Precision Group for the purchase of products during the Track Record Period, represented a 404% increase from 2023 to 2024 and a further 490.5% increase from 2024 to 2025; (ii) the historical transaction amount for the year ended December 31, 2025 of RMB74.4 million with the second half of 2025 contributing approximately 60% of the full year amount; (iii) the expected increase in the demand of the relevant products required by the Hsin Hong Group for the three years ending December 31, 2028. In particular, in 2025, the Hsin Hong Group acquired a company that had been providing liquid silicone rubber (LSR) coating of watch button components to the Luxshare Precision Group. Following the acquisition, the Hsin Hong Group has obtained new orders from the Luxshare Precision Group for LSR coating of watch button components commencing from the third quarter of 2025, which will lead to substantial increasing demand for raw materials including watch button components sourced from the Luxshare Precision Group for the year ending December 31, 2026 as compared to the historical demand during the Track Record Period. Approximately 50% of the historical transaction amount for the supply of products by the Luxshare Precision Group to the Hsin Hong Group in 2025 was attributable to the newly acquired company; (iv) the expected production plan and new products to be launched by the Hsin Hong Group for the three years ending December 31, 2028, in light of the aforesaid acquisition in 2025 and the commencement of new orders for LSR coating of watch button components; (v) an expected annual increase of 10% in the transaction amounts from 2026 to 2028, having considered the (a) the Hsin Hong Group's growing revenue; (b) potential fluctuations in foreign exchange rates; and (c) potential fluctuations in raw material costs for the production of the relevant products, which may impact supply prices; (vi) the estimated costs of production of the required products; and (vii) the estimated market price of the required products.

### **(3) Cowell Products Supply Framework Agreement**

On September 29, 2025, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the **"Cowell Products Supply Framework Agreement"**) with Cowell (for itself and on behalf of the Cowell Group), pursuant to which the Luxshare Precision Group agreed to supply to the Cowell Group the consumer electronics products and manufacturing equipment, including voice coil motors and automated machines, in accordance with its specifications and requirements from time to time.

The Cowell Products Supply Framework Agreement has a term commencing from January 1, 2026 to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.



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## CONNECTED TRANSACTIONS

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The fees to be paid by Cowell Group under the Cowell Products Supply Framework Agreement shall be mainly based on arm's length negotiations between the parties and with reference to, among others, the number and specifications of products to be supplied and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.

The total transaction amounts for the supply of products by the Luxshare Precision Group to the Cowell Group for each of the three years ended December 31, 2025 were RMB55.5 million, RMB1,712.9 million and RMB1,986.2 million, respectively. The increase in the transaction amount since 2024 was primarily attributable to the launch of new products which led to an increase in the demand for voice coil motors.

Our Directors estimate that the maximum transaction amount payable by the Cowell Group to the Luxshare Precision Group under the Cowell Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB3,027.2 million, RMB3,330.0 million and RMB3,663.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Cowell Group to the Luxshare Precision Group for the purchase of products during the Track Record Period. In particular, the increase in the transaction amount since 2024 was primarily attributable to the launch of new products which led to an increase in the supply units of voice coil motor products for the production of front-end and rear-end camera modules; (ii) the expected increase in the demand of the relevant products including voice coil motors and automated machines required by the Cowell Group based on the average monthly transaction amount of approximately RMB250 million in the second half of 2025 and the latest product design, development and production plan of the Cowell Group; (iii) an expected annual increase of 10% in the transaction amounts from 2026 to 2028, having considered the (a) the Cowell Group's growing revenue at an approximate annual rate of 40.3% from 2024 to 2025; (b) potential fluctuations in foreign exchange rates; and (c) potential fluctuations in raw material costs for the production of the relevant products, which may impact supply prices; (iv) the estimated costs of production of the required products; (v) the estimated market price of the required products; and (vi) a buffer of 10% was applied to the estimated transaction amounts for the three years ending December 31, 2028 to accommodate any unexpected increase in the demands on the products, unexpected increase in the costs of the products and any unexpected change such as advancement of the product launch cycle of the customers of the Cowell Group.

#### **(4) Luxvisions Innovation Products Supply Framework Agreement**

On June 26, 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the "**Luxvisions Innovation Products Supply Framework Agreement**") with Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group), pursuant to which the Luxshare Precision Group agreed to supply to the Luxvisions Innovation Group the consumer electronics products, industrial equipment and electronic components, including automated machines, cables and connectors, in accordance with its specifications and requirements from time to time.

The Luxvisions Innovation Products Supply Framework Agreement has a term commencing from the Listing Date to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The fees to be paid by Luxvisions Innovation Group to the Luxshare Precision Group for the purchases under the Luxvisions Innovation Products Supply Framework Agreement were mainly determined based on arm's length negotiations between the parties and with reference to, among others, the number and specifications of products supplied by the Luxshare Precision Group and the prevailing market price of similar products sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.



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## CONNECTED TRANSACTIONS

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The total transaction amounts for the supply of products by the Luxshare Precision Group for each of the three years ended December 31, 2025 were RMB132.9 million, RMB198.9 million and RMB186.5 million, respectively. The increase in the transaction amount for 2024 as compared to 2023 was primarily attributable to the increased investment by Luxvisions Innovation Group in automation upgrades in 2024, which drove higher demand for automated machines from the Luxshare Precision Group. The decrease in 2025 as compared to 2024 was mainly due to adjustments to the aforesaid projects, resulting in changes in the equipment requirements. In addition, as most automated machines are customized products without standard pricing, the transaction amounts fluctuated in line with project-specific demand, leading to a slight decrease in the overall transaction amount in 2025.

Our Directors estimate that the maximum transaction amount payable by the Luxvisions Innovation Group to the Luxshare Precision Group under the Luxvisions Innovation Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB262.1 million, RMB288.3 million and RMB317.1 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors: (i) the historical transaction amounts paid by the Luxvisions Innovation Group to the Luxshare Precision Group for the purchase of products during the Track Record Period; (ii) the expected demand of the relevant products required by the Luxvisions Innovation Group. In particular, the demand of automated machines is estimated to increase due to the plan of the Luxvisions Innovation Group to accelerate process automation to upgrade its production capacity. It is expected that the Luxshare Precision Group will supply automated machines to 20 projects of the Luxvisions Innovation Group with an average automation upgrade related fee of RMB13 million for 2026; (iii) an expected annual increase of 10% in the transaction amounts from 2026 to 2028, having considered the (a) the Luxvisions Innovation Group's growing revenue; (b) potential fluctuations in foreign exchange rates; and (c) potential fluctuations in raw material costs for the production of the relevant products, which may impact supply prices; (iv) the estimated costs of production of the required products; and (v) the estimated market price of the required products.

### ***(5) Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement***

On May 6, 2025, Time Interconnect (for itself and on behalf of the Time Interconnect Group) entered into a products supply framework agreement (the “**Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement**”) with Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group), pursuant to which the Time Interconnect Group agreed to supply to the Luxvisions Innovation Group the consumer electronics products, including fiber optic jumper, in accordance with its specifications and requirements from time to time.

The Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement has a term commencing from May 6, 2025 to December 31, 2027, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The terms of the sales shall be determined with reference to prevailing market terms and be on terms no less favorable to the Time Interconnect Group than those made available to Independent Third Parties for similar products. In particular, the prices will be determined based on the standard price range of the relevant products set by the Time Interconnect Group in accordance with its pricing policy. If a standard price range does not exist, pricing should be determined on a cost-plus basis, which is determined by the direct costs of producing the products (including materials, labor, utilities, equipment depreciation and subcontracting fees, if any) plus a profit margin to be agreed upon. In order to ensure the terms of sales and profit margin are in line with prevailing market rates and conditions, the Time Interconnect Group will compare selling prices of similar products sold to other customers, which are Independent Third Parties, not less frequently than on a quarterly basis. The Time Interconnect Group shall have the right to accept or reject the orders from the Luxvisions Innovation Group and would accept orders only if the Time Interconnect Group will profit from the sales and would consider the Time Interconnect Group's capacity to undertake purchase orders which are more profitable.

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## CONNECTED TRANSACTIONS

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The total transaction amounts for the supply of products by the Time Interconnect Group for each of the three years ended December 31, 2025 were nil, RMB0.09 million and RMB0.8 million, respectively.

The directors of Time Interconnect estimate that the maximum transaction amount payable by the Luxvisions Innovation Group to the Time Interconnect Group under the Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement for each of the two years ending December 31, 2027 will not exceed HK\$10.0 million and HK\$15.0 million, respectively.

In arriving at the above annual caps, the directors of Time Interconnect have considered: (i) the expected demand of the relevant products including fiber optic jumper required by the Luxvisions Innovation Group for a new project currently in its pilot production phase. The Luxvisions Innovation Group began procuring fiber optic jumper from the Time Interconnect Group in November 2025 for this project, with a total transaction amount of RMB0.8 million for the two months ended December 31, 2025; (ii) the expected substantial increase in the demand of the relevant products from 2026 based on the latest product design, development and production plan of the Luxvisions Innovation Group and its customers, as the new project is expected to commence mass production in the second half of 2026; and (iii) the expected prices of the relevant products, exchange rate as well as the inflation.

### **(6) Time Interconnect and Luxshare Limited Products Supply Framework Agreement**

On November 12, 2025, Time Interconnect (for itself and on behalf of the Time Interconnect Group) entered into a products supply framework agreement (the “**Time Interconnect and Luxshare Limited Products Supply Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Group), pursuant to which the Time Interconnect Group agreed to supply to the Luxshare Limited Group the consumer electronics products and industrial and medical components, including cable products, medical equipment cables, copper wire products and server products, in accordance with its specifications and requirements from time to time.

The Time Interconnect and Luxshare Limited Products Supply Framework Agreement has a term commencing from January 1, 2026 to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules.

The terms of the sales shall be determined with reference to prevailing market terms and be on terms no less favorable to the Time Interconnect Group than those made available to Independent Third Parties for similar products. In particular, the prices will be determined based on the standard price range of the relevant products set by the Time Interconnect Group in accordance with its pricing policy. If a standard price range does not exist, pricing should be determined on a cost-plus basis, which is determined by the direct costs of producing the products (including materials, labor, utilities, equipment depreciation and subcontracting fees, if any) plus a profit margin to be agreed upon. In order to ensure the terms of sales and profit margin are in line with prevailing market rates and conditions, the Time Interconnect Group will compare selling prices of similar products sold to other customers, which are Independent Third Parties, not less frequently than on a quarterly basis. The Time Interconnect Group shall have the right to accept or reject the orders from the Luxshare Limited Group and would accept orders only if the Time Interconnect Group will profit from the sales and would consider the Time Interconnect Group’s capacity to undertake purchase orders which are more profitable.

The total transaction amounts for the supply of products by the Time Interconnect Group to the Luxshare Limited Group for each of the three years ended December 31, 2025 were RMB1.2 million, RMB1.8 million and RMB3.4 million, respectively.

The directors of Time Interconnect estimate that the maximum transaction amount payable by the Luxshare Limited Group to the Time Interconnect Group under the Time Interconnect and Luxshare Limited Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed HK\$10.0 million, HK\$11.0 million and HK\$12.0 million, respectively.

## CONNECTED TRANSACTIONS

In arriving at the above annual caps, the directors of Time Interconnect have considered: (i) the substantial increase in the demand of the relevant products required by the Luxshare Limited Group from 2025 as the Luxshare Limited Group continues to periodically require certain cable and server products for their telecommunication systems during new factory setups. The new factory setups include, among other work, the work from time to time to modify existing factory settings, renovate production space and set up production machinery. Cables are generally required for constructing or upgrading telecommunication infrastructure, such as structured cabling for security surveillance, industrial automation and control systems, and broadcasting or public address systems. As a result, there is a continuing demand from the Luxshare Limited Group for the cables and server products to be applied in its telecommunication infrastructure during the renovation period, which are expected to last for at least three more years; (ii) it is expected that the demand from the Luxshare Limited Group will be HK\$10,000,000 for the year ending 31 December 2026 based on the estimation with reference to the historical usage of the relevant products in renovating the existing factory for the development plan of the Luxshare Limited Group as well as the expected selling prices of these components; and (iii) the expected prices of the relevant products, exchange rate as well as the inflation.

### Aggregation

Since the Luxshare Limited Products Supply Framework Agreement, the Hsin Hong Products Supply Framework Agreement, the Cowell Products Supply Framework Agreement, the Luxvisions Innovation Products Supply Framework Agreement, the Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement and the Time Interconnect and Luxshare Limited Products Supply Framework Agreement (the “**Products Supply Framework Agreements**”) are similar in nature, the transactions under the Products Supply Framework Agreements should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual cap amounts for the three years ending December 31, 2028 in respect of the Products Supply Framework Agreements are as follows:

|                                                                                       | For the year ending December 31, |                     |                     |
|---------------------------------------------------------------------------------------|----------------------------------|---------------------|---------------------|
|                                                                                       | 2026                             | 2027                | 2028                |
|                                                                                       | RMB million                      | RMB million         | RMB million         |
| <b>Annual caps</b>                                                                    |                                  |                     |                     |
| Luxshare Limited Products Supply Framework Agreement . . . . .                        | 1,919.5                          | 2,111.4             | 2,322.5             |
| Hsin Hong Products Supply Framework Agreement . . . . .                               | 95.0                             | 104.5               | 115.0               |
| Cowell Products Supply Framework Agreement . . . . .                                  | 3,027.2                          | 3,330.0             | 3,663.0             |
| Luxvisions Innovation Products Supply Framework Agreement . . . . .                   | 262.1                            | 288.3               | 317.1               |
| Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement . . . | 10.0 <sup>(1)</sup>              | 15.0 <sup>(1)</sup> | N/A                 |
| Time Interconnect and Luxshare Limited Products Supply Framework Agreement . . .      | 10.0 <sup>(1)</sup>              | 11.0 <sup>(1)</sup> | 12.0 <sup>(1)</sup> |
| <b>Aggregate . . . . .</b>                                                            | <b>5,323.8</b>                   | <b>5,860.2</b>      | <b>6,429.6</b>      |

Note:

- (1) The amounts of annual caps under the Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement and the Time Interconnect and Luxshare Limited Products Supply Framework Agreement are in Hong Kong dollars, which are included in the aggregated annual cap amounts without taking into account of exchange rate between HKD and RMB due to the fluctuations in exchange rate.

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## CONNECTED TRANSACTIONS

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As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Products Supply Framework Agreements is expected to be more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Products Supply Framework Agreements constitute continuing connected transactions for our Company which will, upon the Listing, be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### *Reasons for the transactions*

Having considered (i) the supply of products can expand the source of revenue of our Group and broaden our customer base as well as the sale networks for our products; and (ii) the continuing friendly business relationship between the Luxshare Limited Associates, the Hsin Hong Group, the Cowell Group, the Luxvisions Innovation Group and our Group, we believe that the entering into of the Products Supply Framework Agreements and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole.

### **APPLICATION FOR WAIVER**

The transactions described in “—B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders' Approval Requirements” in this section constitutes our continuing connected transactions under the Listing Rules, which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted, waivers exempting us from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “—B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders' Approval Requirements” in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

Apart from the above waivers sought on the strict compliance of the announcement requirement, we will comply with the relevant requirements under Chapter 14A of the Listing Rules. In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transaction referred to in this prospectus, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

### **DIRECTORS' VIEWS**

Our Directors (including our independent non-executive Directors) consider that all the non-exempt continuing connected transactions as set out above have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms; and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the annual caps of the non-exempt continuing connected transactions are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

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## CONNECTED TRANSACTIONS

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### JOINT SPONSORS' VIEW

Based on (i) the relevant documents and information provided by our Company in relation to the aforesaid non-exempt continuing connected transactions, (ii) the confirmation from our Directors disclosed above, and (iii) their participation in the due diligence and discussions with the management of our Company, the Joint Sponsors are of the view (i) that the non-exempt continuing connected transactions described in the paragraph headed “B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders’ Approval Requirements” above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) that the proposed annual caps (where applicable) of the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### OVERVIEW

As of the Latest Practicable Date, our Company was held as to (i) approximately 37.32% by Luxshare Limited, a company owned as to 50% by Ms. Wang and 50% by Mr. Wang; and (ii) approximately 0.27% by Mr. Wang. Immediately upon completion of the Global Offering, assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date, Ms. Wang, Mr. Wang and Luxshare Limited will control in aggregate approximately 35.73% of the total issued share capital of our Company. Accordingly, Ms. Wang, Mr. Wang and Luxshare Limited constitute a group of our Controlling Shareholders under the Listing Rules.

### DELINEATION OF BUSINESS

Our Group is principally engaged in provision of cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other end markets.

Apart from the business of our Group, Ms. Wang and Mr. Wang also control companies, including Luxshare Limited, Luxvisions Innovation and their subsidiaries, which primarily engage in (i) designing, developing and manufacturing advanced interface solutions for vehicle interiors (the “**BCS Business**”); (ii) providing original equipment manufacturer services for mobile phone assembly (the “**Lizhen Business**”); and (iii) designing, developing and manufacturing precision optical modules and solutions (the “**Luxvisions Business**,” together with the BCS Business and Lizhen Business, the “**Other Businesses**”).

The following sets forth an illustration of the differences between our principal business and the Other Businesses:

#### **BCS Business**

BCS Business focuses on the provision of human-machine interaction interface solutions for vehicle interiors. The main products of BCS Business are application systems that include automotive switches, control panels and rain/light sensor systems, serving functions such as lighting, visual effects and intelligent control. These products, which are visible or touchable by the end-user within and outside the vehicle cabin, normally require strict specifications for actuation feel, appearance and noise. The primary manufacturing processes of BCS Business include injection moulding, lubrication application, clip pressing, electric resistance welding, mechanical key force and displacement testing, touch calibration testing and testing of luminous flux for light sources.

In contrast, our automotive electronics business focuses on electrical energy transmission and signal interaction in vehicles. Our main products of automotive electronics include (i) components such as vehicle wiring harnesses and connectors, special wiring harnesses and busbars; (ii) modules such as wireless charging modules, ultra-wideband digital keys, airbag control units, smart junction boxes, battery management system; and (iii) systems such as automotive vascular and nervous systems, smart domain control system, intelligent cockpit system, smart chassis system and powertrain system. These components, modules and systems, which normally are not visible or touchable by the end-user, serve functions like blood vessels and nerves within the vehicle cabin. Accordingly, the requirements of actuation feel, appearance and noise for such products are limited. Instead, our products such as smart domain control system and intelligent cockpit system require highly complex software control logic. The primary manufacturing processes of our automotive electronics business include metal casting and processing, screw fastening, precision module lamination, electrical performance testing and aging testing.



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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### Lizhen Business

Lizhen Business focuses on the provision of original equipment manufacturer services for mobile phone assembly. As an original equipment manufacturer services provider, Lizhen Business primarily builds products based on the customers' designs and specifications, with little involvement in product design and R&D services.

After the acquisition of Wingtech ODM Business, the business of our Group involves original design manufacturer services for mobile phone assembly. As an original design manufacturer services provider, we offer design, R&D and manufacturing capabilities for our customers. We are not involved in provision of original equipment manufacturer services for mobile phone assembly. The "manufacturing capabilities" of Wingtech ODM Business can be differentiated from the OEM services provided by Lizhen Business in the following aspects:

- (i) **Business nature:** The OEM services provided by Lizhen Business adopt a contract-manufacturing model under which customers retain primary control over the core product design, intellectual property and technical specifications. As an OEM manufacturer, Lizhen Business manufactures finished products based on customer-provided drawings, specifications and technical standards. Under such model, the scope of Lizhen Business's involvement is generally limited to manufacturing execution in accordance with customers' prescribed parameters. In contrast, the "manufacturing capabilities" of Wingtech ODM Business involves substantive participation commencing from the product conception stage, including the development of product prototypes, hardware architecture, circuit design and overall system engineering. Under the ODM model, customers typically procure relatively complete product solutions with only limited customer-specific modifications prior to commercial launch under their own brands;
- (ii) **Customer structure:** Customers of Lizhen Business are primarily established enterprises with strong in-house R&D capabilities and stringent requirements in relation to product performance and quality. Under the OEM model, these customers generally regard manufacturing process as an extension of their own competitive advantage and therefore exercise close oversight over production execution. In contrast, the customer base of Wingtech ODM Business is more diverse, comprising both well-established brands seeking to outsource non-core product lines to broaden their product portfolios, as well as internet-based brands and start-ups that possess market access but have limited in-house hardware development capabilities. As a result, customer retention for Wingtech ODM Business is more closely driven by its end-to-end solution development capabilities rather than by manufacturing scale alone;
- (iii) **Production capacity deployment:** The manufacturing of Lizhen Business prioritizes large-scale, vertically integrated and highly standardized production facilities designed to handle high-volume, single-model orders, with a strong emphasis on throughput efficiency and cost optimization through economies of scale. In contrast, the manufacturing of Wingtech ODM Business requires more flexible, modular and software-enabled manufacturing systems that can accommodate multi-variety and small-batch orders. Such systems necessitate rapid switching among different design platforms and a higher degree of reliance on intelligent production-management systems; and
- (iv) **R&D requirements:** The research efforts of Lizhen Business focus primarily on process engineering, including precision automation, yield optimization and waste reduction, with a view to enhancing manufacturing efficiency and execution quality. In contrast, the R&D activities of Wingtech ODM Business extend further upstream into product definition and solution development, requiring capabilities in fundamental technology research, hardware-software integration and industrial design, as well as the ability to support product development from concept to commercialization.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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The services provided by Lizhen Business and the Wingtech ODM Business are not substitutable and the selection of either model is driven primarily by the strategic priorities, technology roadmaps and confidentiality considerations of customers. There is no overlap in customers between the Lizhen Business and the Wingtech ODM Business.

After the acquisition of Wingtech Other Consumer Electronics Businesses, the business of our Group involves OEM services for laptops assembly (the “**Wingtech OEM Business**”). The OEM services provided by the Lizhen Business are exclusively focused on the assembly of smartphones, whereas the Wingtech OEM Business acquired by our Group is limited to the assembly of laptops. Having considered that smartphones and laptops are fundamentally different product categories with distinct form factors, internal architectures, component specifications and assembly processes, our Directors are of the view that the OEM services provided by Lizhen Business can be differentiated from the Wingtech OEM Business, which will not and is unlikely to compete with the business of our Group.

### **Luxvisions Business**

Luxvisions Business focuses on the provision of cross-sector, customized precision optical solutions encompassing camera modules, optical components and system integration that realize critical optical functions, and strives to empower global smart device customers with a superior visual and imaging experience. The key technologies of Luxvisions Business encompass optical module simulation, glue research and development, equipment automation and active alignment technologies, emphasizing the technical depth of precision optical systems.

As our business is not involved in the provision of optical solutions to realize optical functions, Luxvisions Business is distinctive and separate from our business based on their business nature, product types and functions as well as technologies applied.

Based on the 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.

As of the Latest Practicable Date, none of our Controlling Shareholders and their close associates had any interest in a business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

### **NON-COMPETE UNDERTAKINGS**

For the purpose of the listing of our A Shares on the Shenzhen Stock Exchange, our Controlling Shareholders provided certain non-competition undertakings in favor of our Company on July 30, 2010, pursuant to which our Controlling Shareholders have undertaken that, among others:

- (i) they had not been engaged in any business that had been the same as or similar to our business;
- (ii) for so long as they retain control over our Company, they will strictly comply with the applicable laws and regulations, and will not, directly or indirectly, engage in any business that is the same as, similar to or substantially in competition with our business, or have substantial or relative control over any other entity engaging in any business that is the same as, similar to or substantially in competition with our business;
- (iii) they will use their control over the other entities controlled by them to cause such entities to fulfill the undertakings above in the same manner; and
- (iv) if they breach any undertaking above, they agree to assume the relevant legal liabilities, including, without limitation, to indemnify our Company and our minority shareholders for all losses arising therefrom.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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For the purpose of subsequent fund-raising activities, Luxshare Limited further provided certain non-competition undertakings in favor of our Company on October 15, 2014 and November 13, 2022, pursuant to which it has undertaken that, among others:

- (i) it and all other entities controlled by it will not, directly or indirectly, engage in any business or activities that compete or are likely to compete for potentially compete with our main business;
- (ii) if any amendment to applicable laws or change in applicable policy results in any actual or potential competition between it or entities controlled by it and our Company, our Company shall have the preemptive right on the same terms in respect of management or acquisition of such business; and
- (iii) for so long as it remains as the controlling shareholder of our Company, the undertakings above shall be unconditional and irrevocable. If it breaches any undertaking above, it will fully, timely and adequately indemnify the losses of our Company arising therefrom.

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

We believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates (other than our Group) after the Listing for the following reasons:

#### Management Independence

Our business is managed and conducted by our Board and senior management. Each of our Directors and members of our senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see “Directors and Senior Management” in this prospectus.

Our Board comprises five executive Directors and three independent non-executive Directors. Save for Ms. Wang and Mr. Wang, our Controlling Shareholders and executive Directors, who are currently holding non-executive directorships in the Other Businesses in which they hold investments, none of our Directors or senior management holds any position in our Controlling Shareholders or their close associates.

Despite their overlapping roles, Ms. Wang and Mr. Wang have a track record of devoting sufficient time and energy to discharge their duties as our Directors and senior management and they will continue to focus on our Group’s business. When performing their duties, they have been and will continue to be supported by the separate senior management team of our Group, which is independent from our Controlling Shareholders and their respective close associates. Our executive Directors and senior management team have adequate relevant experience to manage our business and operations independently from our Controlling Shareholders and their respective close associates.

Each of our Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is an actual or potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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Our Board comprises eight Directors, including three independent non-executive Directors. Our independent non-executive Directors have extensive experience in corporate management and governance, and they are appointed to ensure that our Board will only make decisions after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review.

In addition, as an A-share listed company, we have formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shenzhen Stock Exchange. We have also adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders that would support our independent management. See “—Corporate Governance Measures” in this section.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates after the Listing.

### **Operational Independence**

We have full rights to make all decisions on, and carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the Listing.

We hold and enjoy the benefit of all relevant licenses and permits material to the operation of our business. We also have independent access to our customers and suppliers as well as our business partners. Our administration and operation are carried out by a full-time independent management team and staff which carried out all key administrative functions without reliance on our Controlling Shareholders and their respective close associates.

We have our own production bases all around the globe, including in Asia, Europe, Americas and Africa. We have our own production team dedicated to our production and operating process and the production bases have been and will be operated by our own production team. Save for certain premises with a total GFA of approximately 194,980 sq.m. leased from certain close associates of our Controlling Shareholders on terms which are comparable to market terms for our production and other commercial uses, all the properties, facilities and equipment necessary to our business operations are independent from our Controlling Shareholders and their respective associates.

The section headed “Connected Transactions” in this prospectus sets out the continuing connected transactions between our Group and our Controlling Shareholders or their respective associates which will continue after Listing. The terms of all such transactions are determined after arm’s length negotiations and on normal commercial terms. Accordingly, such continuing connected transactions are not expected to affect our operational independence as a whole.

Based on the reasons above, our Directors are of the view that we have full rights to make all decisions on, and to carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the Listing.

### **Financial Independence**

We have an independent financial system and make financial decisions according to our own business needs. We also have our own internal control and accounting systems, accounting and finance department for discharging the treasury function, all of which independent from our Controlling Shareholders and their respective close associates. Moreover, our Board has established the Audit Committee comprising solely independent non-executive Directors to provide independent oversight to, among others, our accounting and financial reporting processes.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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As of the Latest Practicable Date, we did not have any outstanding loans granted or guaranteed by any of our Controlling Shareholders or their respective close associates to us. We are capable of obtaining financing from Independent Third Parties without reliance on our Controlling Shareholders or their respective close associates in view of our Group's strong financial position, steady cash flow generation and level of liquid assets as well as our ability to raise funds on a standalone basis.

Based on the above, our Directors believe that we are able to conduct our business independently from our Controlling Shareholders and their close associates from a financial perspective and are able to maintain financial independence and would not place undue reliance on our Controlling Shareholders or their close associates.

### CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) 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 provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting in respect of the resolution considering the approval of such contract or arrangement or proposal. In addition, where a general meeting of our Shareholders is to be held for considering proposed transactions in which any of our Controlling Shareholders or their respective close associates has a material interest, the relevant Controlling Shareholders shall abstain from voting on the relevant resolutions;
- (b) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide professional advice to our Shareholders. 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, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please refer to "Directors and Senior Management—Board of Directors—Independent non-executive Directors" in this prospectus;
- (c) we have appointed Frontpage Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, 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;
- (d) our Company has established internal control mechanisms to identify connected transactions. Upon and after the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole; and

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- (f) on an annual basis, our independent non-executive Directors will review the non-compete undertakings provided by our Controlling Shareholders and their compliance with such undertakings.

Based on the above, our Directors believe that there are sufficient and adequate corporate governance measures in place to manage existing and potential conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.



## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering and assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date, the following persons will have interests or short positions (if applicable) in the Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO, or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders' general meetings of our Company:

| Shareholders           | Nature of interest                              | Description of Shares | Number of Shares           | Immediately after the Global Offering     |                                                |
|------------------------|-------------------------------------------------|-----------------------|----------------------------|-------------------------------------------|------------------------------------------------|
|                        |                                                 |                       |                            | Percentage of the A Shares of our Company | Percentage of the issued Shares of our Company |
| Luxshare Limited . . . | Beneficial owner                                | A Shares              | 2,731,537,636 <sup>2</sup> | 37.32%                                    | 35.47%                                         |
| Ms. Wang . . . . .     | Interest in controlled corporation <sup>1</sup> | A Shares              | 2,731,537,636 <sup>2</sup> | 37.32%                                    | 35.47%                                         |
| Mr. Wang . . . . .     | Interest in controlled corporation <sup>1</sup> | A Shares              | 2,731,537,636 <sup>2</sup> | 37.32%                                    | 35.47%                                         |
|                        | Beneficial owner                                | A Shares              | 19,854,147                 | 0.27%                                     | 0.26%                                          |

*Notes:*

1. Luxshare Limited is owned as to 50% by Ms. Wang and 50% by Mr. Wang. By virtue of the SFO, each of Ms. Wang and Mr. Wang is deemed to be interested in the Shares in which Luxshare Limited is interested.
2. As of the Latest Practicable Date, out of the 2,731,537,636 A Shares beneficially owned by Luxshare Limited, an aggregate of 1,033,292,000 A Shares were subject to pledges granted under certain loan facilities in favor of certain licensed commercial banks. For further details of the share pledges granted by Luxshare Limited, see “—Share Pledges by Luxshare Limited” below.

Save as disclosed above and in “Appendix IV—Statutory and General Information—C. Further Information about Directors, Chief Executive and Substantial Shareholders of Our Company,” our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company pursuant to 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.

### SHARE PLEDGES BY LUXSHARE LIMITED

In order to obtain financing for the Other Businesses, Luxshare Limited has from time to time pledged the A Shares it owned to certain licensed commercial banks as collateral. As of the Latest Practicable Date, Luxshare Limited has pledged 1,033,292,000 A Shares, representing approximately 14.12% of the total issued share capital of our Company as security in favor of certain licensed commercial banks which will continue to subsist after Listing. Luxshare Limited will only pledge additional Shares to the extent permissible under the Listing Rules and further announcement(s) will be made by the Company as and when appropriate and required under the Listing Rules.

To the best knowledge of our Directors, there have not been any adverse credit records against Luxshare Limited in respect of any breach of repayment obligations under its indebtedness.

## SHARE CAPITAL

### BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the total issued share capital of our Company was 7,318,257,824 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

| Description of Shares  | Number of Shares     | Percentage to total share capital |
|------------------------|----------------------|-----------------------------------|
| A Shares . . . . .     | 7,318,257,824        | 100.00%                           |
| <b>Total . . . . .</b> | <b>7,318,257,824</b> | <b>100.00%</b>                    |

### UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering, assuming (i) the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised; and (ii) no changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date, the share capital of our Company will be as follows.

| Description of Shares                                           | Number of Shares     | Percentage to total share capital |
|-----------------------------------------------------------------|----------------------|-----------------------------------|
| A Shares in issue . . . . .                                     | 7,318,257,824        | 95.02%                            |
| H Shares to be issued pursuant to the Global Offering . . . . . | 383,472,800          | 4.98%                             |
| <b>Total . . . . .</b>                                          | <b>7,701,730,624</b> | <b>100.00%</b>                    |

Immediately following the completion of the Global Offering, assuming (i) the Over-allotment Option is fully exercised but the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised; and (ii) no changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date, the share capital of our Company will be as follows.

| Description of Shares                                           | Number of Shares     | Percentage to total share capital |
|-----------------------------------------------------------------|----------------------|-----------------------------------|
| A Shares in issue . . . . .                                     | 7,318,257,824        | 94.32%                            |
| H Shares to be issued pursuant to the Global Offering . . . . . | 440,993,700          | 5.68%                             |
| <b>Total . . . . .</b>                                          | <b>7,759,251,524</b> | <b>100.00%</b>                    |

### OUR SHARES

Our H Shares in issue upon completion of the Global Offering, and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

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## SHARE CAPITAL

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### RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares or other forms. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

### NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC are not applicable to companies dual listed on the stock exchanges 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 holders of our A Shares may convert the 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 Stock Exchange. Such approval was obtained by us at the Shareholders’ general meeting of our Company held on August 8, 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 5% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option). The number of H Shares to be issued pursuant to the full exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially under the Global Offering.
- (ii) *Method of offering.* The method of offering shall be by way of Hong Kong public offering and international placement of new shares.
- (iii) *Target investors.* Institutional investors, enterprises and natural persons outside China, as well as qualified domestic institutional investors and other investors in compliance with regulatory requirements.
- (iv) *Price determination basis.* The Offer Price of the H Shares will be determined by the Board and/or its authorized person with the authorization of the Shareholders’ general meetings, together with the Overall Coordinators, after full consideration of the interests of the Company’s existing shareholders, the acceptability of investors, the domestic and overseas capital markets and the issuance risks, and adopting a market-based pricing method according to international practices, market subscriptions, overseas demands for orders and bookkeeping results.
- (v) *Validity period.* The issue and listing of H Shares on the Stock Exchange shall be completed within 24 months from the date on which such matters were approved at the Shareholders’ meeting held on August 8, 2025.

There are no other approved offering plans for our Shares except the Global Offering.

### SHAREHOLDERS’ GENERAL MEETINGS

For details regarding convening of shareholders’ general meeting, see “Appendix III—Summary of the Articles of Association—Shareholders and Shareholders’ Meetings” to this prospectus.

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## FINANCIAL INFORMATION

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*You should read the following discussion and analysis in conjunction with our audited consolidated financial information included in the Accountants' Report set out in Appendix I to this prospectus, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this prospectus.*

### OVERVIEW

We are the largest provider of precision intelligent manufacturing solutions (PIMS) in the Chinese Mainland, and the fifth largest globally, in terms of revenue in 2025, according to Frost & Sullivan. As an innovative technology company, we provide cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other end markets.

We achieved robust growth during the Track Record Period. In 2023, 2024 and 2025, our revenue amounted to RMB231.9 billion, RMB268.8 billion and RMB332.3 billion, respectively. In particular, revenue from our automotive electronics and communication and data center business lines experienced faster growth from 2023 to 2025, representing a CAGR of 106.0% and 30.0%, respectively. During the same years, our net profit amounted to RMB12.2 billion, RMB14.6 billion and RMB18.2 billion, respectively. Moreover, our return on equity amounted to 21.5%, 21.3% and 21.5% in 2023, 2024 and 2025, respectively.

### BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards whose collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board ("IASB"). In addition, the consolidated financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange. For the purpose of preparing the consolidated financial information, the accounting policies adopted conform with all applicable new and revised IFRS Accounting Standards that are effective during the Track Record Period, consistently throughout the Track Record Period, unless otherwise stated.

The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets/liabilities at fair value through profit or loss ("FVTPL") and financial assets at fair value through other comprehensive income ("FVTOCI").

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## FINANCIAL INFORMATION

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### KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe our results of operations and financial condition are mainly affected by the following factors:

#### Global Macroeconomic Trends and Other Factors Affecting the PIMS Industry

We are a global business with operations in multiple regions. Our business and operating results are therefore affected by global economic conditions, including overall global economic growth and the level of per capita disposable income, growth of end markets and international trade policies, among other things. Our activities are regulated by the legal and regulatory frameworks specific to each country or territory where we conduct business.

From 2019 to 2024, the global PIMS market expanded steadily from RMB6,946.5 billion to RMB9,016.9 billion, representing a CAGR of 5.4%. This consistent upward trajectory underscores sustained demand for investment in automation, AI-enabled manufacturing processes, and the rising need for high-precision components across diverse end markets. Looking ahead, the global PIMS market is forecast to grow from RMB10,104.6 billion in 2025 to RMB14,499.7 billion in 2029, representing a CAGR of 9.2%, reflecting continued technology upgrades, broader adoption of intelligent components and modules manufacturing solutions, and the deepening digital transformation of global manufacturing value chains. For details, see “Industry Overview.”

Key factors which will impact the global PIMS market include: (i) end-user demand for improvements in functionality, portability, and aesthetics of products, driving the need for precision manufacturing; (ii) the rapid evolution of foundational digital technologies—particularly in AI, computing infrastructure, and industrial automation; (iii) the surge of “future factories” sparking market expansion; (iv) specialized value chain requiring customized solutions; and (v) coordinated policy tailwinds propelling precision manufacturing worldwide. Our success in the global PIMS market will depend on our ability to leverage our strengths and continuously adapt to the constant technological evolution to meet ever-changing customers’ demands.

#### Product Mix and Pricing

The product and solution mix we provide affects our revenue and profitability. In line with our strategy, we have been expanding our product and solution offerings along the global PIMS industry value chain, covering components, modules and systems. Our product offerings have expanded from consumer electronics to automotive electronics, and communication and data centers, as well as other markets such as healthcare, continuously broadening our technological and commercial horizons. Our consumer electronics products and solutions accounted for RMB204.7 billion, RMB233.1 billion, and RMB264.3 billion in 2023, 2024 and 2025, representing 88.3%, 86.7%, and 79.5% of our total revenue in the same years, respectively. Our automotive electronics, and communication and data center business lines experienced continuous growth in revenue from 2023 to 2025, representing a CAGR of 106.0% and 30.0%, respectively. As we diversify our product mix, we expect revenue from business lines other than consumer electronics may account for a larger percentage of our total revenue in the future.

Our wide range of products and solutions have different selling prices and margin profiles. For example, our gross profit margin for our automotive electronics business was 15.7%, 15.8%, and 15.6%, respectively, and our gross profit margin for communication and data center business was 15.5%, 16.0%, and 18.1%, respectively, which was generally higher than our overall gross profit margin for the same years. Furthermore, the gross profit margins for components and modules are generally higher than those for system products. Therefore, changes in our mix of products and solutions could materially affect our overall profit margin.

Our profitability is also affected by our ability to price our products and solutions to achieve our intended profit margins, which is in turn affected by market competition, pricing of similar products and solutions offered by our peers and our bargaining power.

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## FINANCIAL INFORMATION

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### **Ability to Attract New Customers and Retain Existing Customers**

Our results of operations depend significantly on customer demand. Our business performance has been, and we expect will continue to be, affected by our ability to attract new customers and maintain our relationship with existing customers. Our increased customer loyalty since our inception has enhanced our overall capabilities, including product precision, the breadth of products we provide, and responsiveness. This has positioned us as an important supplier to our customers. We have been able to provide significant value in technology innovation during the early stages of product development, which helps foster our customer loyalty. We provide products and solutions to end customers with leading positions in their respective industries. We also possess the capabilities to support and empower customers which are emerging and are leaders-to-be in their respective fields.

End markets of the global PIMS industry are characterized by intense competition and price fluctuations in recent years. As our customers seek to launch new products at competitive prices, we must in turn (i) advance our technological and R&D capabilities that meet their required features and specifications, and (ii) optimize our production efficiency to reduce costs. Our deep technological expertise and robust R&D capabilities enable us to secure our leadership in a fiercely competitive market, with an advantage to quickly adapt to, or even drive, technological evolution, enhance production efficiency, manage production costs, which will in turn affect our customers' demand for our products and solutions as well as our profit margins. Moreover, demand for our products and solutions is also affected by our customers' performance in their respective end markets.

Furthermore, our ability to deepen our relationship with our existing customers is affected by our ability to (i) enhance our R&D to produce new products that meet our customers' evolving requirements and (ii) cross-sell our products and solutions to our customers, which in turn depends on our ability to adapt, upgrade or transform our technologies to provide products and solutions to suit evolving demands.

### **Development in New Markets and New Products and Solutions**

Our ability to timely identify new growth markets, strategically enter new markets and sell new products is the key to our continuous growth. We are confident in our ability in horizontal growth, and with our well established technological advantages in providing precision intelligent innovation and manufacturing solutions. We aim to develop products suitable for other emerging markets in addition to the ones we currently operate in.

By leveraging our strong foundational technology, we have been able to expand our business to reach more markets, including automotive electronics, communication and data centers, among others. On top of our technological bedrock and modular capabilities, we have also been able to upgrade and expand our consumer electronics product mix, with new inventions and continuous product iterations.

The successful entry to new markets is dependent on various factors such as market conditions, entry barriers, competition landscape, regulatory environment, supply chain, customer demand, and the positioning of our new products. Our ability to develop, produce and introduce new products beyond our current business that meet customer demand at reasonable cost could affect our business, financial condition and results of operations.

### **Cost Control and Operational Efficiency**

Our ability to control costs and achieve higher operational efficiency is key to improving our profitability. Our cost of sales amounted to RMB206.2 billion, RMB241.7 billion, and RMB293.9 billion in 2023, 2024 and 2025, respectively, among which costs of materials accounted for the majority. Accordingly, our ability to source key raw materials at competitive prices affects our gross profit margin and profitability. In addition, while a large part of our production equipment and facilities have been automated, staff costs remain a key component of our cost of sales. Fluctuations in staff costs could significantly affect our results of operations and profit margins.



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## FINANCIAL INFORMATION

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We are committed to continuing scaling up our business operations while effectively managing our cost of sales to achieve higher gross profit margins. We are also constantly exploring ways to improve our operating efficiency in various areas. For instance, we plan to continuously optimize our production efficiency and yield by utilizing intelligent manufacturing in our production base and our business.

### **R&D Efforts and Outcomes**

We are a world-leading innovative precision intelligent manufacturing technology company. Since our inception, technological innovation has been embedded in our DNA. We consistently prioritize R&D and innovation in our business development, striving to revolutionize traditional manufacturing processes and continuously enhance automation levels.

We place strong emphasis on long-term investments in foundational materials and innovative production technologies, continuously exploring advanced manufacturing techniques and product applications. Since our inception, we have accumulated expertise in core technologies such as acoustic, optical, electrical, thermal, magnetic, RF, and structural technologies. Through systematic research into foundational materials, manufacturing process, and testing technologies, we have achieved comprehensive technical coverage from core components to complex modules and system integration. By combining these capabilities with deep industry understanding, we drive ongoing innovation in new materials and processes, leading the growth of our business.

We have invested substantially in our R&D. We incurred R&D expenses of RMB8,188.8 million, RMB8,556.0 million, and RMB11,428.0 million in 2023, 2024 and 2025, representing 53.7%, 51.3%, and 45.7% of our operating expenses (including our selling expenses, general and administrative expenses, and R&D expenses), respectively. As of December 31, 2025, we owned 9,367 patents, including 2,540 invention patents. For details, see “Business—Technologies and R&D.”

Going forward, we will continuously enhance our technologies and optimize our product portfolio in order to strengthen our market position. We will invest in technology R&D, refine our manufacturing processes and enhance our intelligent manufacturing capabilities. Whether our R&D efforts will achieve our intended results, and whether we will be able to successfully implement new technologies to achieve our intended benefits, will affect our business and results of operations.

### **MATERIAL ACCOUNTING POLICIES AND ESTIMATES**

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation with regard to the procedures and methods used by our management in making accounting estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. When reviewing our financial information, you should consider: (i) our selection of accounting policies as disclosed in Note 2 of the Accountants’ Report in Appendix I to this prospectus; and (ii) the results of changes in conditions and assumptions.

We believe that the (i) material accounting information in relation to revenue recognition, contract fulfillment costs, business combinations, property, plant and equipment, investment properties, goodwill, as detailed in Note 2 of the Accountants’ Report in Appendix I to this prospectus and (ii) accounting judgments and estimates including the estimation of fair value of financial assets at FVTPL and financial assets at FVTOCI, inventory provision, provision of expected credit losses for financial assets at amortized cost, impairment assessment of non-financial assets, share-based compensations, impairment of goodwill and uncertain tax position and recognition of current and deferred income tax

## FINANCIAL INFORMATION

assets, as set forth in detail in Note 4 to the Accountants' Report in Appendix I to this prospectus are critical and/or involve the most important estimates and judgments we used in preparing our financial statements.

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth selected consolidated statements of profit or loss and other comprehensive income for the years indicated:

|                                                              | Year ended December 31, |                  |                   |                  |                   |                  |
|--------------------------------------------------------------|-------------------------|------------------|-------------------|------------------|-------------------|------------------|
|                                                              | 2023                    |                  | 2024              |                  | 2025              |                  |
|                                                              | (RMB'000)               | % of revenue     | (RMB'000)         | % of revenue     | (RMB'000)         | % of revenue     |
| <b>Revenue</b> . . . . .                                     | 231,905,460             | 100.0            | 268,794,738       | 100.0            | 332,344,443       | 100.0            |
| Cost of sales . . . . .                                      | (206,167,687)           | (88.9)           | (241,725,138)     | (89.9)           | (293,900,603)     | (88.4)           |
| <b>Gross profit</b> . . . . .                                | 25,737,773              | 11.1             | 27,069,600        | 10.1             | 38,443,840        | 11.6             |
| Other income . . . . .                                       | 912,857                 | 0.4              | 1,046,027         | 0.4              | 1,007,188         | 0.3              |
| Other (losses)/gains, net. . . . .                           | (221,658)               | (0.1)            | 1,847,996         | 0.7              | 1,679,190         | 0.5              |
| Impairment losses under ECL model, net of reversal . . . . . | 23,274                  | — <sup>(1)</sup> | (10,088)          | — <sup>(1)</sup> | (54,482)          | — <sup>(1)</sup> |
| Selling expenses. . . . .                                    | (889,024)               | (0.4)            | (1,059,677)       | (0.4)            | (2,333,997)       | (0.7)            |
| General and administrative expenses . . . . .                | (6,162,485)             | (2.7)            | (7,052,941)       | (2.6)            | (11,261,856)      | (3.4)            |
| R&D expenses . . . . .                                       | (8,188,768)             | (3.5)            | (8,555,957)       | (3.2)            | (11,428,041)      | (3.4)            |
| <b>Operating profit</b> . . . . .                            | <b>11,211,969</b>       | <b>4.8</b>       | <b>13,284,960</b> | <b>4.9</b>       | <b>16,051,842</b> | <b>4.8</b>       |
| Finance income . . . . .                                     | 1,005,581               | 0.4              | 968,280           | 0.4              | 997,716           | 0.3              |
| Finance cost. . . . .                                        | (1,376,870)             | (0.6)            | (1,462,653)       | (0.5)            | (1,765,111)       | (0.5)            |
| <b>Finance costs—net</b> . . . . .                           | <b>(371,289)</b>        | <b>(0.2)</b>     | <b>(494,373)</b>  | <b>(0.2)</b>     | <b>(767,395)</b>  | <b>(0.2)</b>     |
| Share of profits of associates . . . . .                     | 2,028,502               | 0.9              | 3,301,007         | 1.2              | 4,251,241         | 1.3              |
| Share of profits of joint venture. . . . .                   | 15,860                  | — <sup>(1)</sup> | 17,145            | — <sup>(1)</sup> | 14,170            | — <sup>(1)</sup> |
| <b>Profit before income tax</b> . . . . .                    | <b>12,885,042</b>       | <b>5.6</b>       | <b>16,108,739</b> | <b>6.0</b>       | <b>19,549,858</b> | <b>5.9</b>       |
| Income tax expense . . . . .                                 | (641,829)               | (0.3)            | (1,529,695)       | (0.6)            | (1,379,621)       | (0.4)            |
| <b>Profit for the year</b> . . . . .                         | <b>12,243,213</b>       | <b>5.3</b>       | <b>14,579,044</b> | <b>5.4</b>       | <b>18,170,237</b> | <b>5.5</b>       |
| <b>Profit for the year attributable to:</b>                  |                         |                  |                   |                  |                   |                  |
| Owners of the Company. . . . .                               | 10,952,657              | 4.7              | 13,365,651        | 4.9              | 16,599,770        | 5.0              |
| Non-controlling interests . . . . .                          | 1,290,556               | 0.6              | 1,213,393         | 0.5              | 1,570,467         | 0.5              |
|                                                              | <b>12,243,213</b>       | <b>5.3</b>       | <b>14,579,044</b> | <b>5.4</b>       | <b>18,170,237</b> | <b>5.5</b>       |

Note:

(1) Less than 0.1%

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### Revenue

#### Revenue by Business Line

The following table sets forth a breakdown of our revenue generated from four different business lines in absolute amounts and as percentages of our total revenue for the years indicated:

|                                      | Year ended December 31, |              |                    |              |                    |              |
|--------------------------------------|-------------------------|--------------|--------------------|--------------|--------------------|--------------|
|                                      | 2023                    |              | 2024               |              | 2025               |              |
|                                      | (RMB'000)               | % of revenue | (RMB'000)          | % of revenue | (RMB'000)          | % of revenue |
| Consumer electronics . . . . .       | 204,675,728             | 88.3         | 233,096,020        | 86.7         | 264,265,914        | 79.5         |
| — components and modules . . . .     | 126,160,256             | 54.4         | 147,756,874        | 55.0         | 171,994,536        | 51.8         |
| — systems . . . . .                  | 78,515,472              | 33.9         | 85,339,146         | 31.7         | 92,271,378         | 27.7         |
| Automotive electronics . . . . .     | 9,252,369               | 3.9          | 13,757,629         | 5.1          | 39,255,372         | 11.8         |
| Communication and data centers . . . | 14,538,256              | 6.3          | 18,359,940         | 6.9          | 24,567,610         | 7.4          |
| Others <sup>(1)</sup> . . . . .      | 3,439,107               | 1.5          | 3,581,149          | 1.3          | 4,255,547          | 1.3          |
| <b>Total . . . . .</b>               | <b>231,905,460</b>      | <b>100.0</b> | <b>268,794,738</b> | <b>100.0</b> | <b>332,344,443</b> | <b>100.0</b> |

Note:

- (1) Consisting of components and modules for medical devices, industrial equipment, outdoor power equipment, robotics, new energy storage and other markets.

Our total revenue increased by 15.9% from RMB231.9 billion in 2023 to RMB268.8 billion in 2024, primarily attributable to an overall increase in all of our business lines, mainly driven by the increase in customers' demand for our products, which was primarily affected by factors such as our efforts in providing integrated solutions, industry trends, end-users' demand, and general economic and market conditions, among others. Our total revenue increased by 23.6% from RMB268.8 billion in 2024 to RMB332.3 billion in 2025, reflecting broad-based growth across all business lines.

#### Consumer Electronics

Our consumer electronics products and solutions primarily consisted of a range of components, modules and system solutions for end products used in multiple scenarios, including office, home and outdoor spaces. Revenue from our sales of consumer electronics products and solutions increased by 13.9% from RMB204.7 billion in 2023 to RMB233.1 billion in 2024, primarily due to (i) an increase in sales volume of our existing products due to increased orders from new and existing customers; (ii) our offering of new products, such as new smart home products; and (iii) our acquisition of the Qorvo Business in May 2024. Revenue from our sales of consumer electronics products and solutions increased by 13.4% from RMB233.1 billion in 2024 to RMB264.3 billion in 2025, primarily due to (i) an increase in sales volume, driven by our continuous success in vertical integration in consumer electronics, providing more components, modules and systems for consumer electronics for products in application scenarios such as office, home and outdoor spaces; and (ii) increased sales volume resulting from our acquisition of the Wingtech Businesses.

#### Automotive Electronics

Our automotive electronics products and solutions primarily consisted of automotive nervous and vascular system, intelligent cockpit and ADAS, intelligent chassis system, vehicle entry system and powertrain system. Revenue from our sales of automotive electronics products and solutions increased significantly by 48.7% from RMB9.3 billion in 2023 to RMB13.8 billion in 2024, primarily due to (i) increased purchases by existing customers as we diversified our product portfolio; and (ii) orders from new OEM customers. Revenue from our sales of automotive electronics products and solutions increased significantly from RMB13.8 billion in 2024 to RMB39.3 billion in 2025, primarily due to (i) an increase in sales of vehicle wiring harnesses driven by an increase in the sales volume of NEVs in the end market, and (ii) the consolidation of Leoni Business.

## FINANCIAL INFORMATION

### *Communication and Data Centers*

Our communication and data center products and solutions primarily consisted of communication equipment such as base station antenna, wireless access, digital room distribution and point-to-point microwave transmission system, and data center products and solutions such as copper connectivity, optical connectivity, thermal management and power solutions. Revenue from our sales of communication and data center products and solutions increased by 26.3% from RMB14.5 billion in 2023 to RMB18.4 billion in 2024, primarily due to an increase in demand for components and modules for communication and data centers driven by the increased application of AI technology, in particular our cables, connectors, power supply modules, and thermal management modules. Revenue from our sales of communication and data center products and solutions increased by 33.8% from RMB18.4 billion in 2024 to RMB24.6 billion in 2025, primarily due to an increase in the sales of data center related wiring harness and connectors, driven by growing AI computing demand.

### *Others*

During the Track Record Period, we generated revenue from other products and solutions, mainly consisting of sales of components and modules for medical devices and industrial equipment. Revenue from our sales of other products and solutions remained relatively stable at RMB3.4 billion in 2023 and RMB3.6 billion in 2024. Revenue from our sales of other products and solutions increased by 18.8% from RMB3.6 billion in 2024 to RMB4.3 billion in 2025, primarily due to an increase in sales of components and modules for medical devices, industrial equipment, outdoor power equipment, robotics and new energy storage which have relatively higher ASPs.

### *Revenue by Geographic Region*

The following table sets forth a breakdown of our revenue by geographic region based on the place of registration of our customers in absolute amounts and as percentages of our total revenue for the years indicated:

|                                                            | Year ended December 31, |                  |                    |                  |                    |              |
|------------------------------------------------------------|-------------------------|------------------|--------------------|------------------|--------------------|--------------|
|                                                            | 2023                    |                  | 2024               |                  | 2025               |              |
|                                                            | (RMB'000)               | % of revenue     | (RMB'000)          | % of revenue     | (RMB'000)          | % of revenue |
| Europe <sup>(1)</sup> . . . . .                            | 90,987,715              | 39.2             | 93,134,443         | 34.7             | 107,121,665        | 32.2         |
| North and Central America <sup>(2)</sup> . . . . .         | 75,048,479              | 32.4             | 85,438,989         | 31.8             | 99,295,810         | 29.9         |
| Asia (excluding Chinese Mainland) <sup>(3)</sup> . . . . . | 29,904,124              | 12.9             | 47,080,871         | 17.5             | 67,135,595         | 20.2         |
| Others <sup>(4)</sup> . . . . .                            | 108,020                 | — <sup>(5)</sup> | 125,045            | — <sup>(5)</sup> | 228,876            | 0.1          |
| <b>Sub-total</b> . . . . .                                 | <b>196,048,338</b>      | <b>84.5</b>      | <b>225,779,348</b> | <b>84.0</b>      | <b>273,781,946</b> | <b>82.4</b>  |
| Chinese Mainland . . . . .                                 | 35,857,122              | 15.5             | 43,015,390         | 16.0             | 58,562,497         | 17.6         |
| <b>Total</b> . . . . .                                     | <b>231,905,460</b>      | <b>100.0</b>     | <b>268,794,738</b> | <b>100.0</b>     | <b>332,344,443</b> | <b>100.0</b> |

#### *Notes:*

- (1) Including Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, North Macedonia, Norway, Poland, Portugal, Republic of Ireland, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine (excluding the Crimea, Kherson, Luhansk, Donetsk and Zaporizhzhia regions) and United Kingdom.
- (2) Including Canada, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Saint Lucia and the United States.
- (3) Including Cambodia, Hong Kong of China, India, Indonesia, Israel, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan of China, Thailand, Türkiye, United Arab Emirates and Vietnam.
- (4) Including Algeria, Argentina, Australia, Chile, Colombia, Egypt, Federative Republic of Brazil, Kenya, Morocco, New Zealand, South Africa and Tunisia.
- (5) Less than 0.1%

## FINANCIAL INFORMATION

During the Track Record Period, revenue from sales to customers incorporated outside of Chinese Mainland constituted a majority of our total revenue. The total revenue from sales to customers outside of Chinese Mainland for 2023, 2024 and 2025 was RMB196.0 billion, RMB225.8 billion, and RMB273.8 billion, respectively. This represented 84.5%, 84.0%, and 82.4% of our total revenue during the same years, respectively, remaining relatively stable during the Track Record Period, representing successful implementation of our strategy to continuously develop and maintain relationships with customers on a global scale. Our revenue generated from sales to customers in the United States amounted to RMB74.5 billion, RMB85.0 billion and RMB97.8 billion in 2023, 2024 and 2025, representing 32.1%, 31.6% and 29.4% of our total revenue during the same years, respectively.

### *Sales Volume and Average Selling Price (ASP)*

The following table sets forth a breakdown of our sales volume and ASP for different business lines for the years indicated:

|                                    |           | Year ended December 31, |                     |                  |                     |                  |                     |
|------------------------------------|-----------|-------------------------|---------------------|------------------|---------------------|------------------|---------------------|
|                                    |           | 2023                    |                     | 2024             |                     | 2025             |                     |
| Unit                               |           | Sales Volume            | ASP                 | Sales Volume     | ASP                 | Sales Volume     | ASP                 |
|                                    |           | ('000)                  | (RMB per piece/set) | ('000)           | (RMB per piece/set) | ('000)           | (RMB per piece/set) |
| Consumer electronics . .           | piece/set | 4,324,488               | 47.3                | 7,382,485        | 31.6                | 7,568,974        | 34.9                |
| Automotive electronics .           | piece/set | 289,181                 | 32.0                | 302,174          | 45.5                | 586,496          | 66.9                |
| Communication and                  |           |                         |                     |                  |                     |                  |                     |
| data centers . . . . .             | piece/set | 273,342                 | 53.2                | 446,162          | 41.2                | 537,515          | 45.7                |
| Others. . . . .                    | piece/set | 358,699                 | 9.6                 | 394,252          | 9.1                 | 393,825          | 10.8                |
| <b>Total/Overall<sup>(1)</sup></b> |           | <b>5,245,710</b>        | <b>44.2</b>         | <b>8,525,073</b> | <b>31.5</b>         | <b>9,086,810</b> | <b>36.6</b>         |

*Note:*

(1) The overall ASP is calculated by dividing the total revenue by the total sales volume as stated in the table above

Our sales volume increased by 62.5% from 5.2 billion pieces/sets in 2023 to 8.5 billion pieces/sets in 2024, primarily due to the acquisition of the Qorvo Business in 2024, whose radio frequency (RF) devices were generally sold in larger quantities at lower prices, resulting in increased sales volume for our consumer electronics products and solutions. Our overall ASP decreased by 28.7% from RMB44.2 per piece/set in 2023 to RMB31.5 per piece/set in 2024, primarily due to (i) a decrease in ASP from the consumer electronics business line resulting from the acquisition of the Qorvo Business, whose RF devices were generally sold in larger quantities at lower prices; (ii) a decrease in ASP from the communication and data center business line, mainly due to increased sales of components with relatively lower ASP — such as connectors, components for power solutions, and thermal management products, which accounted for a larger proportion in 2024.

Our sales volume increased by 6.6% from 8.5 billion pieces/sets in 2024 to 9.1 billion pieces/sets in 2025, primarily due to the acquisition of the Wingtech Businesses, which was consolidated in July 2025. Our overall ASP increased from RMB31.5 per piece/set in 2024 to RMB36.6 per piece/set in 2025, which was mainly attributable to (i) an increase in ASP from the consumer electronics business line, primarily due to the increased sales of FATP system products and the consolidation of Wingtech Businesses which resulted in an increased contribution from higher-ASP products for smartphones, laptops, tablets and smart wearables applications; and (ii) an increase in ASP from the automotive electronics business line, mainly driven by automotive cable and wiring harness products offered by the Leoni Business.

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### Cost of Sales

Our cost of sales primarily consists of (i) costs of materials; (ii) production costs, which primarily include costs related to our factories, utilities and consumables; and (iii) staff costs relating to our production personnel. The following table sets forth a breakdown of our cost of sales by nature and their corresponding percentages of our total cost of sales for the years indicated:

|                              | Year ended December 31, |              |                    |              |                    |              |
|------------------------------|-------------------------|--------------|--------------------|--------------|--------------------|--------------|
|                              | 2023                    |              | 2024               |              | 2025               |              |
|                              | (RMB'000)               | % of total   | (RMB'000)          | % of total   | (RMB'000)          | % of total   |
| Costs of materials . . . . . | 177,555,128             | 86.1         | 207,549,200        | 85.9         | 247,850,204        | 84.3         |
| Production costs . . . . .   | 14,946,181              | 7.2          | 19,552,315         | 8.1          | 26,810,584         | 9.1          |
| Staff costs . . . . .        | 11,243,514              | 5.5          | 11,937,354         | 4.9          | 16,626,162         | 5.7          |
| Others . . . . .             | 2,422,864               | 1.2          | 2,686,269          | 1.1          | 2,613,653          | 0.9          |
| <b>Total . . . . .</b>       | <b>206,167,687</b>      | <b>100.0</b> | <b>241,725,138</b> | <b>100.0</b> | <b>293,900,603</b> | <b>100.0</b> |

Our cost of sales increased by 17.2% from RMB206.2 billion in 2023 to RMB241.7 billion in 2024, and increased further by 21.6% to RMB293.9 billion in 2025, primarily due to an increase in cost of materials and production costs, in line with our business growth.

### Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit amounted to RMB25.7 billion, RMB27.1 billion, and RMB38.4 billion, respectively. Our overall gross profit margin recorded 11.1%, 10.1%, and 11.6% during the same years, respectively.

#### Gross Profit and Gross Profit Margin by Business Line

The following table sets forth our gross profit and gross profit margin by business line for the years indicated:

|                                      | Year ended December 31, |                     |                   |                     |                   |                     |
|--------------------------------------|-------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
|                                      | 2023                    |                     | 2024              |                     | 2025              |                     |
|                                      | Gross profit            | Gross profit margin | Gross profit      | Gross profit margin | Gross profit      | Gross profit margin |
|                                      | (RMB'000)               | %                   | (RMB'000)         | %                   | (RMB'000)         | %                   |
| Consumer electronics . . . . .       | 21,385,759              | 10.4                | 21,274,953        | 9.1                 | 27,104,214        | 10.3                |
| Automotive electronics . . . . .     | 1,451,088               | 15.7                | 2,178,249         | 15.8                | 6,109,522         | 15.6                |
| Communication and data centers . . . | 2,253,307               | 15.5                | 2,940,330         | 16.0                | 4,451,125         | 18.1                |
| Others . . . . .                     | 647,619                 | 18.8                | 676,068           | 18.9                | 778,979           | 18.3                |
| <b>Total/Overall . . . . .</b>       | <b>25,737,773</b>       | <b>11.1</b>         | <b>27,069,600</b> | <b>10.1</b>         | <b>38,443,840</b> | <b>11.6</b>         |

Our gross profit margin for sales of consumer electronics products and solutions decreased from 10.4% in 2023 to 9.1% in 2024, mainly due to (i) an increase in sales of system products, which have lower gross profit margins compared with components and modules; and (ii) the inclusion of certain new products, such as RF devices offered by the Qorvo Business, which have relatively lower gross profit margins. Our gross profit margin from sales of consumer electronics products and solutions increased from 9.1% in 2024 to 10.3% in 2025, primarily due to higher revenue contribution from component and module products during the year.

Our gross profit margin from sales of automotive electronics products and solutions remained relatively stable at 15.7%, 15.8% and 15.6% in 2023, 2024 and 2025, respectively.



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Our gross profit margin from sales of communication and data center products and solutions remained relatively stable at 15.5% and 16.0% in 2023 and 2024, respectively. Our gross profit margin from sales of communication and data center products and solutions increased from 16.0% in 2024 to 18.1% in 2025, mainly due to higher gross profit margin from component and module products including our data center related wiring harness and connectors during the year.

Our gross profit margin from sales of other products and solutions remained relatively stable at 18.8%, 18.9%, and 18.3% in 2023, 2024 and 2025, respectively.

### Other Income

Our other income consisted of (i) government grants, mainly arising from incentives provided by local government authorities in the PRC; (ii) super-input value-added tax (“VAT”) credit; (iii) compensation income from contract default, primarily including compensation for obsolete materials from suppliers and compensation for losses caused by cancelation of orders by customers; and (iv) others, which primarily includes withholding personal income tax fees. The following table sets forth the breakdown of our other income by nature for the years indicated:

|                                               | Year ended December 31, |                  |                  |
|-----------------------------------------------|-------------------------|------------------|------------------|
|                                               | 2023                    | 2024             | 2025             |
|                                               |                         | (RMB'000)        |                  |
| Government grants . . . . .                   | 791,099                 | 933,138          | 827,503          |
| Super-input VAT credit . . . . .              | 20,560                  | 50,879           | 44,103           |
| Compensation income from contract default . . | 70,247                  | 39,965           | 66,807           |
| Others . . . . .                              | 30,951                  | 22,045           | 68,775           |
| <b>Total . . . . .</b>                        | <b>912,857</b>          | <b>1,046,027</b> | <b>1,007,188</b> |

The fluctuations in our other income throughout the Track Record Period were primarily driven by the fluctuations in the government grants awarded to us from year to year.

### Other (Losses)/Gains, Net

Our other (losses)/gains, net consisted of (i) change in fair value of financial assets/liabilities at FVTPL, related to the fluctuations of fair value of our trading financial assets, such as wealth management products; (ii) foreign currency exchange (loss)/gain; (iii) loss in disposal of financial assets, related to the disposal of our trade and note receivables to financial institutions at a discount for financing purposes; (iv) impairment loss on PPE; (v) impairment loss on intangible assets; (vi) gain/(loss) on disposal of/written off PPE and intangible assets; (vii) bargain purchase gain arising from the acquisition of Leoni Business. See Note 46 to the Accountants’ Report in Appendix I to this prospectus; and (viii) others, which mainly include gain on termination of right-of-use assets. The following table sets forth the breakdown of our other (losses)/gains, net by nature for the years indicated:

|                                                                           | Year ended December 31, |                  |                  |
|---------------------------------------------------------------------------|-------------------------|------------------|------------------|
|                                                                           | 2023                    | 2024             | 2025             |
|                                                                           |                         | (RMB'000)        |                  |
| Change in fair value of financial assets/liabilities at FVTPL . . . . .   | 678,346                 | 1,951,100        | 2,475,403        |
| Foreign currency exchange (loss)/gain, net . .                            | (72,796)                | 1,010,172        | (252,211)        |
| Loss on disposal of financial asset . . . . .                             | (741,343)               | (795,497)        | (593,026)        |
| Impairment loss on PPE . . . . .                                          | (191,676)               | (293,338)        | (320,394)        |
| Impairment loss on intangible asset . . . . .                             | —                       | —                | (90,077)         |
| Gain/(loss) on disposal of/written off PPE and intangible asset . . . . . | 105,092                 | (1,616)          | (20,788)         |
| Bargain purchase gain . . . . .                                           | —                       | 368              | 479,317          |
| Others . . . . .                                                          | 719                     | (23,193)         | 966              |
| <b>Total . . . . .</b>                                                    | <b>(221,658)</b>        | <b>1,847,996</b> | <b>1,679,190</b> |

## FINANCIAL INFORMATION

### Impairment Losses Under the ECL Model, Net of Reversals

Our impairment losses under the ECL model, net of reversals primarily consisted of impairment losses on (i) trade receivables; (ii) note receivables; and (iii) other receivables. We recorded reversal of impairment losses of RMB23.3 million in 2023, impairment losses of RMB10.1 million and RMB54.5 million in 2024 and 2025, respectively.

We recorded a net reversal of impairment losses of RMB23.3 million in 2023 due to the collection of overdue trade and note receivables that were recorded as impairment losses in 2022, and we incurred impairment losses of RMB10.1 million in 2024 and RMB54.5 million in 2025, primarily due to the increase in trade and note receivables in the respective years following the consolidation of new businesses and our organic growth, while the expected credit loss rate applied remained broadly unchanged, in line with our business growth.

### Selling Expenses

Our selling expenses primarily consisted of (i) employee-related expenses mainly including salary and benefits for our sales staff; (ii) office expenses; (iii) promotion expenses; (iv) consumables and miscellaneous purchases; and (v) warehousing and rental expenses. The following table sets forth the breakdown of our selling expenses by nature and their corresponding percentages of our total selling expenses for the years indicated:

|                                                   | Year ended December 31, |              |                  |              |                  |              |
|---------------------------------------------------|-------------------------|--------------|------------------|--------------|------------------|--------------|
|                                                   | 2023                    |              | 2024             |              | 2025             |              |
|                                                   | (RMB'000)               | % of total   | (RMB'000)        | % of total   | (RMB'000)        | % of total   |
| Employee-related expenses . . . . .               | 598,361                 | 67.3         | 682,251          | 64.4         | 1,024,210        | 43.9         |
| Office expenses . . . . .                         | 92,917                  | 10.5         | 124,727          | 11.8         | 649,389          | 27.8         |
| Promotion expenses . . . . .                      | 73,453                  | 8.3          | 82,614           | 7.8          | 149,167          | 6.4          |
| Consumables and miscellaneous purchases . . . . . | 35,228                  | 4.0          | 57,922           | 5.5          | 67,428           | 2.9          |
| Warehousing and rental expenses . . . . .         | 39,144                  | 4.4          | 50,701           | 4.8          | 138,954          | 6.0          |
| Others . . . . .                                  | 49,921                  | 5.6          | 61,462           | 5.7          | 304,849          | 13.0         |
| <b>Total . . . . .</b>                            | <b>889,024</b>          | <b>100.0</b> | <b>1,059,677</b> | <b>100.0</b> | <b>2,333,997</b> | <b>100.0</b> |

Our selling expenses increased by 19.2% from RMB889.0 million in 2023 to RMB1,059.7 million in 2024, primarily due to an increase in employee-related expenses for our sales and marketing personnel. Our selling expenses as a percentage of our total revenue remained stable in 2023 and 2024. Our selling expenses increased significantly from RMB1,059.7 million in 2024 to RMB2,334.0 million in 2025, primarily due to (i) an increase in office expenses in relation to increased utilities and office-related expenses; (ii) an increase in employee-related expenses for our sales and marketing personnel driven by the increase in our headcount and an increase in other expenses, all of which were mainly attributable to the consolidation of Wingtech Businesses and Leoni Business.

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### General and Administrative Expenses

Our general and administrative expenses primarily consisted of (i) employee-related expenses mainly including salary and benefits for our administrative staff; (ii) depreciation and amortization; (iii) tax and surcharges; (iv) office expenses; (v) consumables; (vi) rental, repairs and miscellaneous purchases; and (vii) consultancy fees. The following table sets forth the breakdown of our general and administrative expenses by nature and their corresponding percentages of our total general and administrative expenses for the years indicated:

|                                                       | Year ended December 31, |              |                  |              |                   |              |
|-------------------------------------------------------|-------------------------|--------------|------------------|--------------|-------------------|--------------|
|                                                       | 2023                    |              | 2024             |              | 2025              |              |
|                                                       | (RMB'000)               | % of total   | (RMB'000)        | % of total   | (RMB'000)         | % of total   |
| Employee-related expenses . . . . .                   | 2,955,301               | 48.0         | 3,291,003        | 46.7         | 5,506,572         | 48.9         |
| Depreciation and amortization . . . . .               | 1,141,476               | 18.5         | 1,313,586        | 18.6         | 1,487,304         | 13.2         |
| Tax and surcharge . . . . .                           | 513,150                 | 8.3          | 615,065          | 8.7          | 879,585           | 7.8          |
| Office expenses . . . . .                             | 349,690                 | 5.7          | 427,713          | 6.1          | 834,740           | 7.4          |
| Consumables . . . . .                                 | 436,597                 | 7.1          | 441,685          | 6.2          | 592,557           | 5.3          |
| Rental, repairs and miscellaneous purchases . . . . . | 273,547                 | 4.4          | 319,497          | 4.5          | 478,111           | 4.2          |
| Consultancy fees . . . . .                            | 123,495                 | 2.0          | 294,529          | 4.2          | 309,642           | 2.7          |
| Others . . . . .                                      | 369,227                 | 6.0          | 349,863          | 5.0          | 1,173,345         | 10.5         |
| <b>Total . . . . .</b>                                | <b>6,162,485</b>        | <b>100.0</b> | <b>7,052,941</b> | <b>100.0</b> | <b>11,261,856</b> | <b>100.0</b> |

Our general and administrative expenses increased by 14.4% from RMB6,162.5 million in 2023 to RMB7,052.9 million in 2024, primarily due to an increase in employee-related expenses for our administrative personnel driven by the increase in our headcount and an increase in depreciation and amortization. Our general and administrative expenses as a percentage of our total revenue remained stable in 2023 and 2024.

Our general and administrative expenses increased by 59.7% from RMB7,052.9 million in 2024 to RMB11,261.9 million in 2025, primarily due to an increase in employee-related expenses for our administrative personnel driven by the increase in our headcount. Our other expense categories under general and administrative expenses generally increased, which were in line with our business expansion and consolidation of Wingtech Businesses and Leoni Business. Our general and administrative expenses as a percentage of our total revenue increased in 2025 as compared to 2024, primarily due to the consolidation of Wingtech Businesses and we expect such percentage would decrease as we further integrate and streamline the Wingtech Businesses.

### R&D Expenses

Our R&D expenses primarily consisted of (i) employee-related expenses, mainly including salaries and benefits for our R&D staff; (ii) molds, materials and consumables; (iii) depreciation and amortization; (iv) rental, repair and inspection expenses; (v) technology service fees; and (vi) office expenses. The following table sets forth the breakdown of our R&D expenses by nature and their corresponding percentages of our total R&D expenses for the years indicated:

|                                            | Year ended December 31, |              |                  |              |                   |              |
|--------------------------------------------|-------------------------|--------------|------------------|--------------|-------------------|--------------|
|                                            | 2023                    |              | 2024             |              | 2025              |              |
|                                            | (RMB'000)               | % of total   | (RMB'000)        | % of total   | (RMB'000)         | % of total   |
| Employee-related expenses . . . . .        | 4,474,219               | 54.6         | 4,743,099        | 55.4         | 5,817,407         | 50.9         |
| Molds, materials and consumables . . . . . | 1,522,003               | 18.6         | 1,947,624        | 22.8         | 2,219,826         | 19.4         |
| Depreciation and amortization . . . . .    | 1,071,508               | 13.1         | 905,915          | 10.6         | 1,219,539         | 10.7         |
| Rental, repairs and inspection . . . . .   | 445,795                 | 5.4          | 468,940          | 5.5          | 697,709           | 6.1          |
| Technology service fee . . . . .           | 206,100                 | 2.5          | 71,461           | 0.8          | 300,765           | 2.6          |
| Office expenses . . . . .                  | 181,630                 | 2.2          | 165,220          | 1.9          | 211,281           | 1.8          |
| Others . . . . .                           | 287,513                 | 3.5          | 253,698          | 3.0          | 961,514           | 8.5          |
| <b>Total . . . . .</b>                     | <b>8,188,768</b>        | <b>100.0</b> | <b>8,555,957</b> | <b>100.0</b> | <b>11,428,041</b> | <b>100.0</b> |

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Our R&D expenses increased by 4.5% from RMB8,188.8 million in 2023 to RMB8,556.0 million in 2024, primarily due to (i) an increase in employee-related expenses for our R&D personnel driven by the increase in our headcount; and (ii) an increase in molds, materials and consumables driven by the increase in R&D projects we undertook in 2024. Our R&D expenses increased by 33.6% from RMB8,556.0 million in 2024 to RMB11,428.0 million in 2025, primarily reflecting (i) an increase in employee-related expenses for R&D personnel as a result of headcount expansion arising from the consolidation of Wingtech Businesses and Leoni Business; and (ii) an increase in other R&D expenses, resulting from the consolidation of Wingtech Businesses and Leoni Business and in line with our expanded R&D.

### Finance Costs, Net

Our finance costs, net represented the result of (i) finance income, being bank interest income from bank balances and term deposits which could be withdrawn or transferred on demand; net of (ii) finance costs, mainly arising from interest expenses on bank borrowings, lease liabilities, short term financing bills, and convertible bonds. The following table sets forth a breakdown of finance costs, net by nature for the years indicated:

|                                     | Year ended December 31, |                  |                  |
|-------------------------------------|-------------------------|------------------|------------------|
|                                     | 2023                    | 2024             | 2025             |
|                                     |                         | (RMB'000)        |                  |
| Finance income . . . . .            | 1,005,581               | 968,280          | 997,716          |
| Finance costs . . . . .             | (1,376,870)             | (1,462,653)      | (1,765,111)      |
| <b>Finance costs, net . . . . .</b> | <b>(371,289)</b>        | <b>(494,373)</b> | <b>(767,395)</b> |

### Share of Profits of Associates

Our share of profits of associates primarily consisted of our investment in associates engaged in the manufacture and sales of flexible printed circuits, board-to-board connectors, smartphone system integration and intelligent in-vehicle devices, among others. Our share of profits of associates was RMB2,028.5 million, RMB3,301.0 million and RMB4,251.2 million in 2023, 2024 and 2025, respectively. Such increases were primarily due to an increase in operating profit of our associates.

### Income Tax Expense

Our income tax expense consists of current income tax and deferred income tax. The following table sets forth a breakdown of our income tax expense for the years indicated:

|                               | Year ended December 31, |                  |                  |
|-------------------------------|-------------------------|------------------|------------------|
|                               | 2023                    | 2024             | 2025             |
|                               |                         | (RMB'000)        |                  |
| Current income tax . . . . .  | 1,024,939               | 1,318,435        | 1,773,553        |
| Deferred income tax . . . . . | (383,110)               | 211,260          | (393,932)        |
| <b>Total . . . . .</b>        | <b>641,829</b>          | <b>1,529,695</b> | <b>1,379,621</b> |

Our income tax expense increased significantly from RMB641.8 million in 2023 to RMB1,529.7 million in 2024, primarily due to (i) an increase in our taxable income due to our business expansion, and (ii) an increase in the effective tax rate. Our income tax expense decreased from RMB1,529.7 million in 2024 to RMB1,379.6 million in 2025, primarily due to a significant change in our deferred income tax from a charge of RMB211.3 million in 2024 to a credit of RMB393.9 million in 2025. Our current income tax increased from RMB1,318.4 million in 2024 to RMB1,773.6 million in 2025, which was in line with the growth in our profit before income tax.

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Our effective income tax rate, representing income tax expense divided by profit before income tax, expressed as a percentage, was 5.0%, 9.5%, and 7.1% in 2023, 2024 and 2025, respectively. Our effective income tax rate during the Track Record Period was lower than our statutory enterprise income tax rates, primarily as certain of our subsidiaries in the PRC enjoyed tax deductions for eligible R&D expenses. Our effective income tax rate in 2024 was higher than 2023, primarily due to the recognition of Pillar Two income tax in 2024 by our subsidiaries in Vietnam. Our effective income tax rate for 2025 was lower than that for 2024, primarily due to the fluctuation in our deferred income tax.

As of the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no material disputes or unresolved tax issues with relevant tax authorities.

### ***Chinese Mainland***

In accordance with the EIT Law, Foreign Investment Enterprises (“FIEs”) and domestic companies established in Chinese Mainland are subject to EIT at a rate of 25%.

Further, certain of our subsidiaries benefit from a preferential tax rate of 15% under the EIT Law if they are qualified as high and new technology enterprises under relevant regulations or located in applicable PRC regions, such as certain western regions and special economic zones, as specified in the relevant catalog of encouraged industries, subject to certain general restrictions described in the EIT Law and the related regulations.

### ***Hong Kong***

Our Group’s subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to April 1, 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first HK\$2 million and 16.5% for any assessable profits in excess.

### ***Corporate Income Tax in Other Jurisdictions***

Income tax on profit arising from other jurisdictions, such as Vietnam and Singapore, has been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, ranging up to 30% for the Track Record Period.

### ***Organization for Economic Co-operation and Development (“OECD”) Global Anti-base Erosion Pillar Two Model Rules***

We are within the scope of the Pillar Two model rules released by the OECD. The Pillar Two legislation became effective in certain jurisdictions on January 1, 2024 during the Track Record Period. We apply the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12. Under the Pillar Two legislation, we are liable to pay a top-up tax on the difference between our Global Anti-Base Erosion effective tax rate in each jurisdiction and the 15% minimum rate.

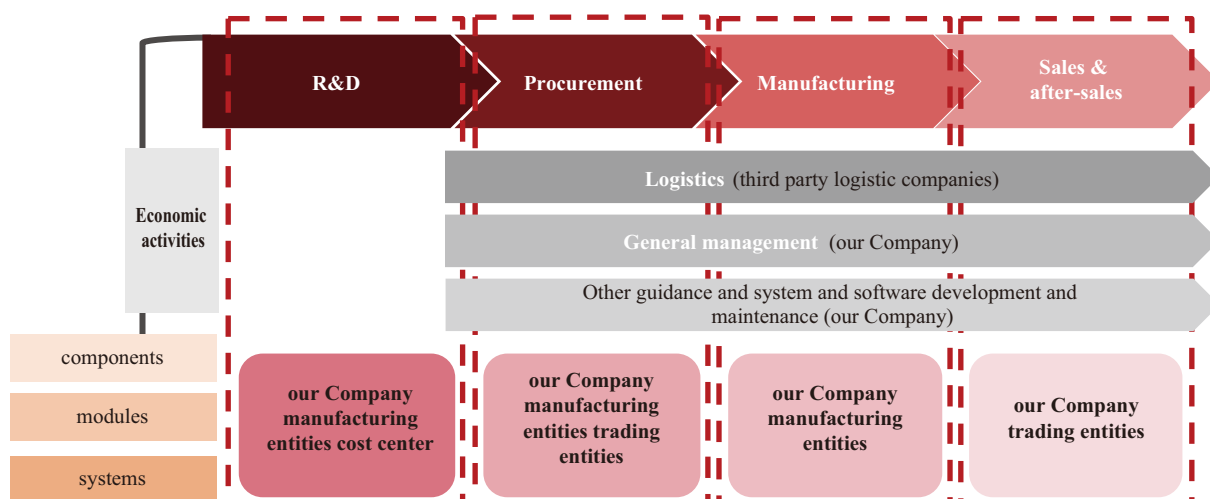
### ***Transfer Pricing***

#### ***Value Chain and Transaction Flow***

Intracompany transactions within our Group are primarily product purchases and sales. The value chain encompasses multiple stages, including technology R&D, manufacturing, logistics, sales, and after-sales service, with the value chain structure being largely similar across various business lines. Based on their distinct functions and risk exposures within the value chain, the reviewed entities can be categorized into operating headquarters, manufacturing entities, trading entities, and a cost center. Among these, the manufacturing entities are primarily located in the Chinese Mainland and Vietnam.

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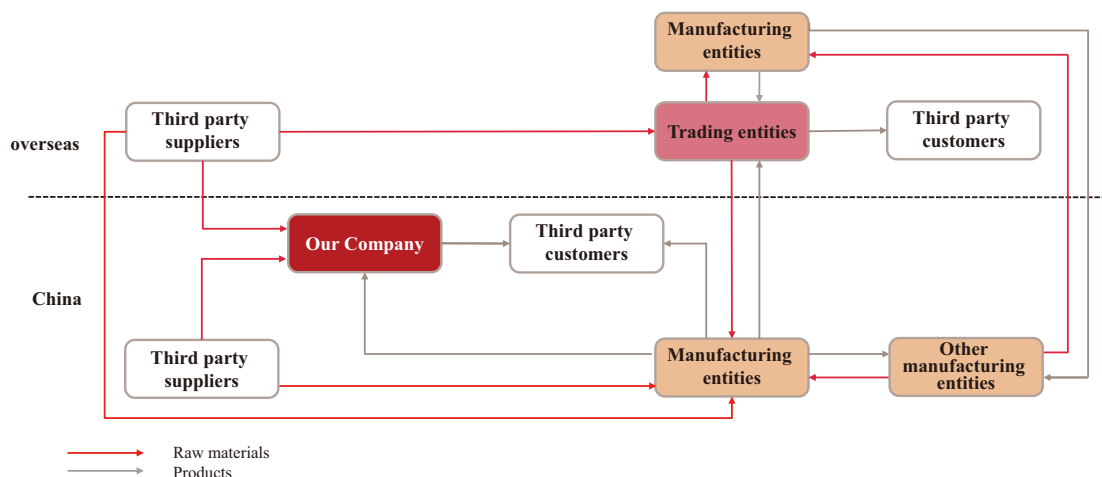
The value chain of our Group is illustrated in the diagram below:



Primary Transaction Flow:

Product sales in China are primarily handled by our Company, which procures from manufacturing entities within China and sells to third-party customers in China. Overseas product sales are primarily handled by trading entities, which procure from manufacturing entities in China or Vietnam and sell to third-party customers outside China.

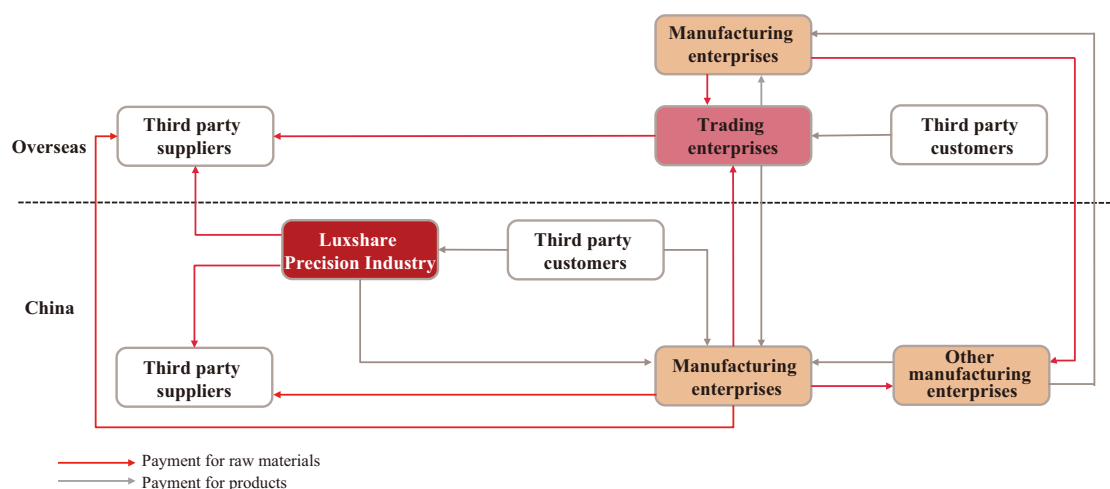
The diagram below illustrates the flow of orders:





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The diagram below illustrates the flow of funds:



### *Intra-Group Transactions*

The OECD Transfer Pricing Guidelines, issued by the Organization for Economic Co-operation and Development (OECD), represent the most widely accepted international standard in the field of transfer pricing globally and are adopted and followed by the tax authorities of the vast majority of countries in their legislation and practice. According to the OECD Transfer Pricing Guidelines, intra-group transactions should be conducted on an arm's length basis.

To standardize intra-group transactions and ensure their fairness, our Group has formulated and issued relevant management policies. These explicitly stipulate that transaction pricing should primarily follow the market price. If no market price is available and there is a government-mandated price, that price shall be referenced. If neither a market price nor a government-mandated price is available, cost-plus pricing shall be applied. If none of the above is available or suitable, the price shall be determined by agreement. The transacting parties determine the pricing method based on the specific circumstances of the transaction and specify it in the relevant transaction agreements.

In accordance with the OECD Transfer Pricing Guidelines and the applicable tax laws and regulations of relevant jurisdictions, intra-group transactions must adhere to the arm's length principle. Entities involved in transfer pricing arrangements are required to comply with the tax laws and regulations of their respective jurisdictions and prepare corresponding transfer pricing documentation. The ultimate holding company of our Group, Luxshare Limited, is required to maintain a master file containing our Group's organizational structure, business and strategies, significant intangibles, financing activities, and financial and tax status. Our Group is also required to maintain local files, containing transfer pricing analyses based on local tax policies.

Upon review by our transfer pricing consultant, Lixin Certified Tax Agent Co., Ltd. Beijing Branch (the "**Transfer Pricing Consultant**"), Luxshare Limited and our Group have prepared the master file and local files respectively, as required. They conduct annual analyses and validations of intra-group transactions. Specifically, based on the requirements of the OECD Transfer Pricing Guidelines and applicable tax laws and regulations in relevant jurisdictions, the Transactional Net Margin Method (TNMM) is selected according to the nature and characteristics of the intra-group transactions. The profitability of entities involved in transfer pricing arrangements is compared to the profitability of independent comparable companies to assess whether the intra-group transactions

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comply with the arm's length principle. During the Track Record Period, the profitability profile of each category of entities within our Group was consistent with its respective functional and risk profile. Specifically:

- (i) The operating profit margins of the operational headquarters (our Company) fell within the interquartile range of comparable companies throughout the Track Record Period (after adjusting for non-recurring items such as idle land-related costs, water treatment fees, and equity acquisition service charges), confirming the arm's length nature of the profits derived from its related-party transactions;
- (ii) The full cost mark-up ratios of the majority of manufacturing entities fell within the interquartile range of comparable companies. Certain manufacturing entities recorded full cost mark-up ratios above the upper quartile of comparable companies, indicating the generation of certain excess profits. However, such excess profits were attributable to the specific end-market applications in the high-end consumer electronics industries and the technological sophistication of our products, earned through open market competition, rather than any non-arm's length pricing in intra-group transactions. The excess profitability did not result in any unreasonable reduction of taxable income in China;
- (iii) Among the trading entities, the operating profit margin of Hong Kong Luxshare Precision fell within the interquartile range of comparable companies throughout the Track Record Period. Although one of the other trading entities recorded a higher level of profitability compared with certain comparable companies under an alternative assessment approach, when evaluated based on operating profit margins, its performance was broadly in line with that of other trading entities within the Group; and
- (iv) The full cost mark-up ratios of the cost center, covering both its management and business support services and R&D services, fell within the interquartile range of comparable companies throughout the Track Record Period, confirming the arm's length nature of the profits derived from its related-party transactions.

Our Transfer Pricing Consultant has been engaged to review and evaluate our Group's transfer pricing arrangements for the years of 2023, 2024 and 2025 (the "**Review Period**"). The Transfer Pricing Consultant reviewed the intra-group transaction documentation, conducted interviews with Group management, selected 16 entities for review, and, based on the OECD Transfer Pricing Guidelines and relevant transfer pricing laws and regulations, assessed and analyzed whether the profit levels of these 16 reviewed entities from their intra-group transactions aligned with the profit levels required by the arm's length principle.

Based on the above analysis, our Directors are of the view that the intra-group transactions of the reviewed entities during the Track Record Period complied with all applicable laws and regulations in the relevant jurisdictions. In addition, the Transfer Pricing Consultant concluded that: (i) the reviewed entities comply with applicable laws and regulations in their respective jurisdictions, performed annual analysis and validation of their intra-group transactions, and their methodologies for analysis and validation are reasonable; and (ii) the intra-group transactions of the reviewed entities comply with the arm's length principle, and the risk of transfer pricing adjustments is low. Accordingly, there is no material adverse impact on our Group's business operations or financial performance arising from the intra-group transaction arrangements. Based on the view of the Transfer Pricing Consultant as disclosed above and the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' view that the intra-group transactions of the reviewed entities during the Track Record Period complied with all applicable laws and regulations in the relevant jurisdictions.

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During the Review Period, the total value of intra-group transactions within our Group is set out in the table below:

| Year       | Value of<br>Intra-group<br>Transactions<br><i>(RMB in millions)</i> |
|------------|---------------------------------------------------------------------|
| 2023 ..... | 393,637.5                                                           |
| 2024 ..... | 451,773.1                                                           |
| 2025 ..... | 501,007.9                                                           |

### *The Reviewed Entities*

The criteria used by the Transfer Pricing Consultant to select the 16 reviewed entities were: (1) the entity's average annual transaction volume during the Review Period accounted for more than 5% of the total intra-group transaction value of our Group; (2) the entity's business type is representative covering operating headquarters, manufacturing entities, trading entities, and a cost center; and (3) to ensure the total transaction value of the selected entities accounted for over 70% of our Group's total intra-group transactions, some entities were randomly selected as reviewed entities. Our Directors are of the view that the 16 entities reviewed constitute a representative sample of all intra-group transactions during the Track Record Period. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' view that the 16 entities reviewed constitute a representative sample of all intra-group transactions during the Track Record Period. Details of the reviewed entities are set out in the table below:

| No. | Reviewed Entity                                | Place of Incorporation | Business                  |
|-----|------------------------------------------------|------------------------|---------------------------|
| 1   | our Company .....                              | Guangdong, China       | Manufacturing             |
| 2   | 立訊智造(浙江)有限公司 .....                             | Zhejiang, China        | Manufacturing             |
| 3   | 立訊精密工業(滁州)有限公司 .....                           | Anhui, China           | Manufacturing             |
| 4   | 江西立訊智造有限公司 .....                               | Jiangxi, China         | Manufacturing             |
| 5   | 東莞訊滔電子有限公司 .....                               | Guangdong, China       | Manufacturing             |
| 6   | 立訊智造科技(常熟)有限公司 .....                           | Jiangsu, China         | Manufacturing             |
| 7   | Luxshare — ICT (Vietnam) Company Limited. .... | Vietnam                | Manufacturing             |
| 8   | Luxshare — ICT (Van Trung) Co., Ltd. ...       | Vietnam                | Manufacturing             |
| 9   | 立訊精密有限公司 .....                                 | Hong Kong              | Trading                   |
| 10  | 台灣立訊精密有限公司 .....                               | Taiwan                 | Sales support and R&D     |
| 11  | 立鎧精密科技(鹽城)有限公司 .....                           | Jiangsu, China         | Manufacturing             |
| 12  | 日善電腦配件(嘉善)有限公司 .....                           | Zhejiang, China        | Manufacturing             |
| 13  | Casetek Singapore Pte. Ltd. ....               | Singapore              | Trading and sales support |
| 14  | 日達智造科技(如皋)有限公司 .....                           | Jiangsu, China         | Manufacturing             |
| 15  | 威訊聯合半導體(北京)有限公司 .....                          | Beijing, China         | Manufacturing             |

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| No. | Reviewed Entity                                   | Place of Incorporation | Business      |
|-----|---------------------------------------------------|------------------------|---------------|
| 16  | Luxshare — ICT (Nghe An) Company Limited. . . . . | Vietnam                | Manufacturing |

### Profit for the Year

As a result of the foregoing, we recorded a net profit of RMB12,243.2 million, RMB14,579.0 million and RMB18,170.2 million for 2023, 2024 and 2025, respectively, achieving a net profit margin of 5.3%, 5.4% and 5.5% in the respective years.

## DISCUSSION OF CERTAIN KEY ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

### Property, Plant and Equipment (PPE)

Our PPE consisted of (i) machinery and equipment; (ii) land and buildings; (iii) other equipment, such as production support equipment, office equipment and computer equipment; (iv) construction in progress, mainly in relation to the construction of our new R&D center; (v) molds and tooling; (vi) leasehold improvements; and (vii) others. The following table sets forth a breakdown of the net carrying amount of our PPE as of the dates indicated:

|                                    | As of December 31, |                   |                   |
|------------------------------------|--------------------|-------------------|-------------------|
|                                    | 2023               | 2024              | 2025              |
|                                    |                    | (RMB'000)         |                   |
| Machinery and equipment . . . . .  | 20,966,181         | 24,182,826        | 32,097,096        |
| Land and buildings . . . . .       | 12,028,202         | 12,812,848        | 21,537,258        |
| Other equipment . . . . .          | 9,039,465          | 8,466,501         | 9,622,399         |
| Construction in progress . . . . . | 2,226,216          | 5,379,184         | 4,290,260         |
| Molds and tooling . . . . .        | 2,912,102          | 3,119,997         | 2,951,187         |
| Leasehold improvements . . . . .   | 470,325            | 574,479           | 917,281           |
| Transportation vehicles . . . . .  | 41,086             | 51,932            | 95,577            |
| Others . . . . .                   | 119,942            | 195,523           | 97,938            |
| <b>Total . . . . .</b>             | <b>47,803,519</b>  | <b>54,783,290</b> | <b>71,608,996</b> |

Our PPE increased by 14.6% from RMB47.8 billion as of December 31, 2023 to RMB54.8 billion as of December 31, 2024, primarily due to (i) an increase in machinery and equipment; (ii) an increase in construction in progress, which is related to the upgrade of existing production lines due to product iteration, new production lines for new products, and new R&D centers, and (iii) the acquisition of the Qorvo Business. Our PPE increased by 30.7% from RMB54.8 billion as of December 31, 2024 to RMB71.6 billion as of December 31, 2025, primarily due to (i) an increase in machinery and equipment; and (ii) an increase in land and buildings. Such increases were mainly due to the acquisition of Wingtech Businesses and Leoni Business and the additions of overseas production lines.

### Intangible Assets

Our intangible assets primarily comprised software, patent rights and non-patented technology, among others.

Our intangible assets decreased by 4.4% from RMB450.3 million as of December 31, 2023 to RMB430.5 million as of December 31, 2024, primarily due to the amortization of intangible assets. Our intangible assets significantly increased from RMB430.5 million as of December 31, 2024 to RMB1,020.3 million as of December 31, 2025, primarily due to the acquisition of Wingtech Businesses.

### Right-of-Use Assets

Our right-of-use assets consisted of leased buildings, machinery and equipment, and transportation vehicles, and land use right.

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Our right-of-use assets increased by 15.7% from RMB2,435.2 million as of December 31, 2023 to RMB2,816.6 million as of December 31, 2024, primarily due to (i) an increase in leased buildings; and (ii) an increase in right-of-use assets from newly acquired companies such as Cosmo Corporation Cayman Limited (the “**Cosmo Business**”) and the Qorvo Business. Our right-of-use assets increased by 87.4% from RMB2,816.6 million as of December 31, 2024 to RMB5,278.8 million as of December 31, 2025, primarily due to an increase in right-of-use assets from the acquisition of the Leoni Business.

### Goodwill

Goodwill is recognized in connection with business acquisitions. Our goodwill increased from RMB1,729.2 million as of December 31, 2023 to RMB1,885.8 million as of December 31, 2024, primarily due to the acquisition of the Qorvo Business and Cosmo Business. Our goodwill increased from RMB1,885.8 million as of December 31, 2024 to RMB2,239.2 million as of December 31, 2025, primarily due to the acquisition of the Wingtech Other Mainland Consumer Electronics Businesses. For details, see Note 21 to the Accountants’ Report in Appendix I to this prospectus.

### *Impairment Test for Goodwill and Internally Generated Technology*

We test for impairment of our goodwill annually at the end of the reporting period. We recognize the excess of the carrying amount over the estimated recoverable amount, which is the higher of value in use and fair value less cost to sell, in profit or loss immediately. Our management conducted the impairment review on the goodwill and internally generated technology according to IAS 36 *Impairment of Assets*.

#### *Fair Value Less Cost to Sell*

When assessing the impairment of goodwill for a listed company, Time Interconnect Group CGU, we determine the recoverable amount based on its fair value less cost to sell. Fair value is based on the fair value of stocks issued in the public market. Based on such valuation technique, no impairment of goodwill was identified.

#### *Value in Use*

For the remaining company, we determine the recoverable amount of the groups (or groups of cash-generating units) based on value in use. We calculate value in use as present value of future cash flows, which is based on business plans approved by management. The business plan covers a five-year period and incorporates a risk-adjusted discount rate. Cash flows beyond that period are extrapolated using a steady growth rate and a terminal value. The following set out the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill.

As of December 31, 2023, 2024 and 2025, the recoverable amounts of the CGU were determined from value-in-use calculations based on cash flow projections which were based on financial forecasts covering the expected life of 5 years of the operation. Management determined budgeted gross margin based on past performance and the expected future performance. The discount rates reflect the specific risks relating to the CGUs. The price of products and services sold by each CGU were with reference to current market information available at the time of impairment assessment.

The key assumptions of major goodwill are as below:

The cash flow projections covered a period approved by management as follows:

|                                                                          | As of December 31, |         |         |
|--------------------------------------------------------------------------|--------------------|---------|---------|
|                                                                          | 2023               | 2024    | 2025    |
| Lanto Kunshan CGU. . . . .                                               | 5 years            | 5 years | 5 years |
| Luxcase ICT Yancheng CGU. . . . .                                        | 5 years            | 5 years | 5 years |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A                | N/A     | 5 years |

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The growth rate of revenue applied to the cash flow projections are as follows:

|                                                                          | As of December 31, |          |           |
|--------------------------------------------------------------------------|--------------------|----------|-----------|
|                                                                          | 2023               | 2024     | 2025      |
|                                                                          | %                  | %        | %         |
| Lanto Kunshan CGU . . . . .                                              | 1.0-2.1            | 1.0-1.06 | 1.0-1.06  |
| Luxcase ICT Yancheng CGU . . . . .                                       | 14.1-15.2          | 8.0-9.7  | -4.1-10.4 |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A                | N/A      | -31.0-8.0 |

This growth rate is based on the relevant industry growth forecast and terminal growth rate does not exceed the average long term growth rate for the relevant industry.

The terminal growth rate used beyond the forecast period is zero.

The gross profit margin applied to the cash flow projections are as follows:

|                                                                          | As of December 31, |             |             |
|--------------------------------------------------------------------------|--------------------|-------------|-------------|
|                                                                          | 2023               | 2024        | 2025        |
|                                                                          | %                  | %           | %           |
| Lanto Kunshan CGU . . . . .                                              | 11.00-11.62        | 10.00-11.62 | 10.00-11.56 |
| Luxcase ICT Yancheng CGU . . . . .                                       | 4.55-4.73          | 4.50-4.68   | 5.30-7.21   |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A                | N/A         | 7.03-8.10   |

The pre-tax discount rate applied to the cash flow projections are as follows:

|                                                                          | As of December 31, |       |       |
|--------------------------------------------------------------------------|--------------------|-------|-------|
|                                                                          | 2023               | 2024  | 2025  |
|                                                                          | %                  | %     | %     |
| Lanto Kunshan CGU . . . . .                                              | 12.29              | 13.65 | 14.10 |
| Luxcase ICT Yancheng CGU . . . . .                                       | 13.50              | 14.84 | 12.88 |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A                | N/A   | 13.89 |

The pre-tax discount rate is the expected return of our assets that reflects current market assessments of the time value of money and the specific risk associated with the CGU, after taking into account the weighted average cost of equity and debt.

### ***Lanto Kunshan CGU***

As of December 31, 2023, 2024 and 2025, the recoverable amount of Lanto Kunshan CGU is approximately RMB10,196 million, RMB9,447 million and RMB9,191 million, respectively. The headroom measured by the excess of the recoverable amount over the carrying amount of Lanto Kunshan CGU was RMB4,704 million, RMB4,008 million and RMB4,449 million, as of December 31, 2023, 2024 and 2025, respectively. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Lanto Kunshan CGU was recognized as of December 31, 2023, 2024 and 2025.

Our management performed sensitivity test based on the assumption that the pre-tax discount rate, the annual growth rate of the revenue and the gross profit margin have been changed. The following table sets out the hypothetical change that would remove the remaining headroom:

|                                 | As of December 31, |        |        |
|---------------------------------|--------------------|--------|--------|
|                                 | 2023               | 2024   | 2025   |
| Revenue . . . . .               | -16.83%            | -6.55% | -4.07% |
| Pre-tax discount rate . . . . . | +9.55%             | +3.27% | +1.94% |
| Gross profit margin . . . . .   | -3.05%             | -2.45% | -2.62% |



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Our management believes that any reasonably possible changes in any of the key assumptions would not result in an impairment provision of goodwill.

### ***Luxcase ICT Yancheng CGU***

As of December 31, 2023, 2024 and 2025, the recoverable amount of Luxcase ICT Yancheng CGU was approximately RMB29,763 million, RMB23,068 million and RMB25,514 million, respectively. The headroom measured by the excess of the recoverable amount over the carrying amount of Luxcase ICT Yancheng CGU was RMB13,572 million, RMB5,160 million and RMB5,547 million as of December 31, 2023, 2024 and 2025, respectively. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Luxcase ICT Yancheng CGU was recognized as of December 31, 2023, 2024 and 2025.

Our management performed sensitivity test based on the assumption that the pre-tax discount rate, the annual growth rate of the revenue and the gross profit margin have been changed. The following table sets out the hypothetical change that would remove the remaining headroom:

|                                 | As of December 31, |         |         |
|---------------------------------|--------------------|---------|---------|
|                                 | 2023               | 2024    | 2025    |
| Revenue . . . . .               | -16.25%            | -12.81% | -13.76% |
| Pre-tax discount rate . . . . . | +9.72%             | +7.85%  | +7.82%  |
| Gross profit margin . . . . .   | -1.33%             | -0.6%   | -0.79%  |

Our management believes that any reasonably possible changes in any of the key assumptions would not result in an impairment provision of goodwill.

### ***Wingtech Other Mainland Consumer Electronics Businesses CGU***

The acquisition of Wingtech Other Mainland Consumer Electronics Businesses CGU was completed in July 2025. As of December 31, 2025, the recoverable amount of Wingtech Other Mainland Consumer Electronics Businesses CGU is approximately RMB3,122 million. The headroom measured by the excess of the recoverable amount over the carrying amount of Wingtech Other Mainland Consumer Electronics Businesses CGU was RMB52 million as of December 31, 2025. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Wingtech Other Mainland Consumer Electronics Businesses CGU was recognized as of December 31, 2025.

Our management had undertaken sensitivity analysis on the impairment test of goodwill and identified a reasonably possible change in key parameters that would cause the carrying amount of the CGU to exceed its recoverable amount. The following table sets out the hypothetical change to pre-tax discount rate, the annual growth rate of revenue and the gross profit margin that would have removed the remaining headroom:

|                                 | As of December 31, |      |        |
|---------------------------------|--------------------|------|--------|
|                                 | 2023               | 2024 | 2025   |
| Revenue . . . . .               | N/A                | N/A  | -0.18% |
| Pre-tax discount rate . . . . . | N/A                | N/A  | +0.11% |
| Gross profit margin . . . . .   | N/A                | N/A  | -0.02% |

### **Investment in Associates**

Our investment in associates increased from RMB4,100.1 million as of December 31, 2023 to RMB7,343.6 million as of December 31, 2024, and further to RMB11,875.7 million as of December 31, 2025, primarily due to an increase in share of post-acquisition profits, other equity movements, and other comprehensive income from the associates.

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### Investment in Joint Ventures

Our investment in joint ventures increased from RMB132.9 million as of December 31, 2023 to RMB144.7 million as of December 31, 2024, primarily due to an increase in investment income accrued according to the equity method based on our shareholding percentage. Our investment in joint ventures decreased to RMB134.0 million as of December 31, 2025, primarily due to (i) dividends declared by our joint ventures of RMB15.1 million, and (ii) unfavorable exchange differences of RMB9.5 million, which were partially offset by our share of post-acquisition profits and other comprehensive income of RMB14.0 million recognized under the equity method in proportion to our respective shareholding percentages.

### Financial Assets at FVTOCI

Our financial assets at FVTOCI include (i) equity investments, and (ii) note receivables measured at FVTOCI.

The following table sets forth our financial assets at FVTOCI as of the dates indicated:

|                                              | As of December 31, |                  |                  |
|----------------------------------------------|--------------------|------------------|------------------|
|                                              | 2023               | 2024             | 2025             |
|                                              |                    | (RMB'000)        |                  |
| <b>Non-current assets</b>                    |                    |                  |                  |
| Equity investments . . . . .                 | 249,122            | 112,765          | 219,462          |
|                                              | <b>249,122</b>     | <b>112,765</b>   | <b>219,462</b>   |
| <b>Current assets</b>                        |                    |                  |                  |
| Note receivables measured at FVTOCI. . . . . | 587,585            | 1,106,284        | 1,263,240        |
|                                              | <b>587,585</b>     | <b>1,106,284</b> | <b>1,263,240</b> |

Our financial assets at FVTOCI that were classified as non-current assets decreased from RMB249.1 million as of December 31, 2023, to RMB112.8 million as of December 31, 2024, primarily due to our disposal of some of our equity investments, and the decreases in the prices of equity investments that we invested in. Our financial assets at FVTOCI that were classified as non-current assets increased to RMB219.5 million as of December 31, 2025, primarily due to the increase in equity investments in certain listed companies.

Our financial assets at FVTOCI that were classified as current assets increased from RMB587.6 million as of December 31, 2023 to RMB1,106.3 million as of December 31, 2024, and further to RMB1,263.2 million as of December 31, 2025, primarily due to the increase in note receivables which was in line with our business growth.

### Financial Assets at FVTPL

Our financial assets at FVTPL include: (i) equity investments that are held for trading and for which the entity has not elected to recognize FVTOCI; (ii) wealth management products; and (iii) derivative financial assets which include the USD/CNY forward exchange contracts.

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The following table sets forth our financial assets at FVTPL as of the dates indicated:

|                                        | As of December 31, |                  |                  |
|----------------------------------------|--------------------|------------------|------------------|
|                                        | 2023               | 2024             | 2025             |
|                                        |                    | (RMB'000)        |                  |
| <b>Non-current assets</b>              |                    |                  |                  |
| Financial assets at FVTPL              |                    |                  |                  |
| —Equity investments . . . . .          | 35,700             | 39,312           | 37,637           |
|                                        | <b>35,700</b>      | <b>39,312</b>    | <b>37,637</b>    |
| <b>Current assets</b>                  |                    |                  |                  |
| Financial assets at FVTPL              |                    |                  |                  |
| —Wealth management products . . . . .  | 1,628,279          | 1,300,228        | 2,770,200        |
| —Derivative financial assets . . . . . | 92,485             | 102,883          | 71,865           |
|                                        | <b>1,720,764</b>   | <b>1,403,111</b> | <b>2,842,065</b> |

Our financial assets at FVTPL that were classified as non-current assets remained relatively stable at RMB35.7 million, RMB39.3 million and RMB37.6 million as of December 31, 2023, 2024, and 2025, respectively.

Our financial assets at FVTPL that were classified as current assets decreased from RMB1,720.8 million as of December 31, 2023 to RMB1,403.1 million as of December 31, 2024, and then increased to RMB2,842.1 million as of December 31, 2025, primarily due to the fluctuations in our investment in wealth management products.

During the Track Record Period, substantially all of our financial assets at FVTPL were wealth management products. Wealth management products at FVTPL represent the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The wealth management products can be purchased or disposed of at any date during the open days. In order to improve the efficiency and returns on the utilization of idle funds, while ensuring our normal production and operations, we utilize idle funds to invest in wealth management products from time to time. The investment shall be limited to principal-guaranteed or low-risk wealth management products with high safety, good liquidity, and short-term (not exceeding one year), issued by commercial banks. Our Board of Directors authorizes our Chairlady to exercise the investment decision-making power and sign relevant legal documents. Our Chief Financial Officer shall be responsible for implementation of investments, with specific execution handled by our finance department. We have implemented the following internal control measures to control risks: (1) Investment shall be limited to principal-guaranteed or low-risk commercial bank wealth management products with a term not exceeding one year; (2) Our finance department shall promptly analyze and monitor wealth management product investments. Should any adverse factors potentially affecting the safety of our funds be identified, appropriate protective measures shall be taken promptly to control investment risks; (3) Our audit department shall be responsible for auditing and supervising the use and custody of wealth management funds; (4) Independent directors shall have the discretion to inspect the use of funds; (5) Our board of supervisors shall supervise and inspect the use of wealth management funds; and (6) We shall timely fulfill information disclosure obligations in accordance with the relevant regulations of the Shenzhen Stock Exchange. The return of the wealth management products we purchased during the Track Record Period ranged from 0.07% to 20.9% per annum. Our investments in financial assets at FVTPL after the Listing will be subject to the compliance with Chapter 14 of the Listing Rules.

### Prepayments and Other Receivables

The non-current portion of our prepayments and other receivables primarily consisted of (i) prepayments for acquisition of PPE; (ii) amount due from third parties, representing a refund claim against Wingtech Mobile Communications (India) Private Ltd in respect of an asset acquisition, which

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is currently under dispute and subject to ongoing litigation; (iii) advance payment for equity investment, relating to our acquisition of the Qorvo Business; and (iv) others, primarily consisting of prepaid pension.

The following table sets forth our non-current prepayments and other receivables as of the dates indicated:

|                                                 | As of December 31, |                  |                  |
|-------------------------------------------------|--------------------|------------------|------------------|
|                                                 | 2023               | 2024             | 2025             |
|                                                 | (RMB'000)          |                  |                  |
| <b>Non-current</b>                              |                    |                  |                  |
| Prepayments for acquisition of PPE . . . . .    | 1,416,221          | 1,688,137        | 1,985,449        |
| Amount due from third parties . . . . .         | —                  | —                | 150,644          |
| Advance payment for equity investment . . . . . | 141,654            | —                | 79,450           |
| Others . . . . .                                | 10,763             | 7,767            | 743,933          |
|                                                 | <b>1,568,638</b>   | <b>1,695,904</b> | <b>2,959,476</b> |

Our non-current prepayments and other receivables primarily fluctuate with the balance of our prepayments for acquisition of PPE. Our non-current prepayments and other receivables increased from RMB1,695.9 million as of December 31, 2024 to RMB2,959.5 million as of December 31, 2025, primarily due to (i) an increase in others attributable to the nomination fees, which are upfront commercial payments made to customers to secure business projects, a practice commonly observed in the automotive supply chain, and are distinct from sales rebates, in relation to the Leoni Business; and (ii) an increase in prepayments for acquisition of PPE relating to the acquisition of the Wingtech Businesses.

The current portion of our prepayments and other receivables consisted of (i) input VAT to be deducted; (ii) amount due from the third parties; (iii) prepayments made to the third-party suppliers; (iv) prepayments made to the related-party suppliers; (v) amount due from the related parties; (vi) amount due from associates; and (vii) others, primarily consisting of prepaid custom duties.

The following table sets forth our current prepayments and other receivables as of the dates indicated:

|                                                              | As of December 31, |                  |                  |
|--------------------------------------------------------------|--------------------|------------------|------------------|
|                                                              | 2023               | 2024             | 2025             |
|                                                              | (RMB'000)          |                  |                  |
| <b>Current</b>                                               |                    |                  |                  |
| Input VAT to be deducted . . . . .                           | 2,106,402          | 2,472,487        | 3,547,136        |
| Deposits . . . . .                                           | 208,420            | 193,034          | 1,641,788        |
| Prepayments made to the third-party suppliers . . . . .      | 476,592            | 378,487          | 1,436,523        |
| Dividend receivable . . . . .                                | —                  | —                | 148,346          |
| Export VAT refund receivables . . . . .                      | 104,916            | 728,279          | 139,800          |
| Prepayments made to the associates . . . . .                 | —                  | —                | 2,563            |
| Prepayments made to the related-party suppliers . . . . .    | 10,111             | 10,713           | 1,605            |
| Amount due from the related parties <sup>(1)</sup> . . . . . | 13,868             | 2,759            | 778              |
| Amount due from associates <sup>(1)</sup> . . . . .          | 54                 | 696              | 13               |
| Others <sup>(2)</sup> . . . . .                              | 42,328             | 12,280           | 17,262           |
|                                                              | <b>2,962,691</b>   | <b>3,798,735</b> | <b>6,935,814</b> |
| Less: provision for impairment . . . . .                     | (4,851)            | (7,939)          | (21,415)         |
|                                                              | <b>2,957,840</b>   | <b>3,790,796</b> | <b>6,914,399</b> |

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### Notes:

- (1) These amounts are trade in nature, unsecured, interest free and repayable on demand.
- (2) Primarily including prepaid custom duties and return charges receivable. The significant increase in others in 2023 was primarily due to increases in prepaid custom duties.

Our current prepayments and other receivables increased from RMB2,957.8 million as of December 31, 2023 to RMB3,790.8 million as of December 31, 2024, primarily due to an increase in amount due from the third parties and input VAT to be deducted, partially offset by a decrease in prepayments made to the third-party suppliers.

Our current prepayments and other receivables increased from RMB3,790.8 million as of December 31, 2024 to RMB6,914.4 million as of December 31, 2025, primarily due to (i) an increase in input VAT to be deducted; (ii) an increase in prepayments made to the third-party suppliers, resulting from our increased purchases to support our business needs; and (iii) an increase in amount due from the third parties, resulting from the expansion of our business as we acquired businesses in 2025.

As of April 30, 2026, RMB6.3 billion, or approximately 90.7% of our prepayments and other receivables as of December 31, 2025 were subsequently settled.

### Inventories

Our inventories comprised (i) finished goods; (ii) raw materials; (iii) work in progress; (iv) consumable supplies; (v) goods in transit; (vi) outsourced processing materials; and (vii) materials in transit. The following table sets forth a breakdown of inventories as of the dates indicated:

|                                           | As of December 31, |                   |                   |
|-------------------------------------------|--------------------|-------------------|-------------------|
|                                           | 2023               | 2024              | 2025              |
|                                           |                    | (RMB'000)         |                   |
| Finished goods . . . . .                  | 17,873,073         | 16,723,010        | 18,712,647        |
| Raw materials . . . . .                   | 7,122,403          | 8,389,250         | 14,018,547        |
| Work in progress . . . . .                | 5,171,213          | 6,905,616         | 8,811,340         |
| Consumable supplies. . . . .              | 137,194            | 441,841           | 1,266,213         |
| Goods in transit . . . . .                | 80,403             | 101,539           | 288,217           |
| Outsourced processing materials . . . . . | 7,662              | 88,904            | 41,321            |
| Materials in transit . . . . .            | 27,648             | 45,746            | 165,155           |
| Less: provision. . . . .                  | (1,012,114)        | (1,208,810)       | (1,293,209)       |
| <b>Total . . . . .</b>                    | <b>29,407,482</b>  | <b>31,487,096</b> | <b>42,010,231</b> |

Depending on the production and shipment schedules, the balance of our inventories may fluctuate from period to period. Our inventories increased by 7.1% from RMB29.4 billion as of December 31, 2023 to RMB31.5 billion as of December 31, 2024, primarily reflecting increase in stock to fulfill the increased orders on hand. Our inventories increased by 33.4% from RMB31.5 billion as of December 31, 2024 to RMB42.0 billion as of December 31, 2025, primarily driven by business growth, which led to higher levels of raw materials, finished goods and work in progress, including increased procurement of raw materials to meet customer orders.

We believe the key in inventory control is balancing the risk of excess stock and possible supply shortage of raw materials. We generally adjust the production and procurement plans based on customer orders or scheduling requirements. Our procurement is based on the material's lead time for releasing orders. Materials with longer lead times are prioritized for release, while those with shorter lead times are released later, ensuring alignment in material availability time. Our procurement plans are reviewed on a regular basis, which are adjusted based on the production department's production plans, and are subject to inputs provided by the logistics department. If the materials purchased based on procurement plans are insufficient to meet production demand, we then procure materials based on production needs,

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and such procurement requests are approved by the responsible supervisor. We review our inventory levels periodically. Our WMS automatically prompts a re-inspection procedures when obsolete stock is identified to ensure the inventory is in good condition.

We review the condition of our inventories at the end of each year during the Track Record Period and make provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with our customers and current market conditions of end markets. Our management estimates the net realizable value for slow-moving inventories based primarily on the latest selling prices and current market conditions. We reassess the estimation at the end of each year. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact the carrying value of inventories and the provision of inventories recognized in the years in which such estimates have been changed.

We calculate the inventory turnover days using the average of the opening and ending inventory balances for the year, divided by cost of sales for the relevant year, multiplied by 365 days. The following table sets forth the number of our inventory turnover days for the years indicated:

|                                   | Year ended December 31, |      |      |
|-----------------------------------|-------------------------|------|------|
|                                   | 2023                    | 2024 | 2025 |
| Inventory turnover days . . . . . | 59                      | 46   | 46   |

Our inventory turnover days decreased from 59 days in 2023 to 46 days in 2024, mainly due to our improved inventory management and adjustment of customers' stocking pattern. Our inventory turnover days remained stable at 46 days in 2024 and 2025.

The following table sets forth the aging analysis of inventories as of the dates indicated:

|                                   | As of December 31, |                   |                   |
|-----------------------------------|--------------------|-------------------|-------------------|
|                                   | 2023               | 2024              | 2025              |
|                                   |                    | (RMB'000)         |                   |
| Within one year . . . . .         | 30,219,048         | 32,435,574        | 42,492,303        |
| One to two years . . . . .        | 156,423            | 208,198           | 670,305           |
| Two to three years . . . . .      | 44,125             | 52,133            | 140,832           |
| Inventories, gross . . . . .      | 30,419,596         | 32,695,906        | 43,303,440        |
| Less: provision . . . . .         | (1,012,114)        | (1,208,810)       | (1,293,209)       |
| <b>Inventories, net . . . . .</b> | <b>29,407,482</b>  | <b>31,487,096</b> | <b>42,010,231</b> |

As of April 30, 2026, RMB37.0 billion, or approximately 85.3% of our inventories as of December 31, 2025 had been utilized or sold.

### Trade and Note Receivables

Our trade and note receivables primarily represent the outstanding amounts due to us from our customers for our products and solutions. We generally grant our customers credit terms of 30 to 60 days. We seek to maintain strict control over our outstanding receivables to minimize credit risk. Our management regularly reviews our overdue balances. In view of the aforementioned and the fact that our trade and note receivables relate to diversified customers, there is no significant concentration of credit risk. We do not hold any collateral or other credit enhancements over our trade and notes receivable balances.



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The following table sets forth our trade and note receivables as of the dates indicated:

|                                      | As of December 31,       |                          |                          |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
|                                      | 2023                     | 2024                     | 2025                     |
|                                      |                          | (RMB'000)                |                          |
| <b>Trade receivables</b>             |                          |                          |                          |
| The third parties . . . . .          | 22,578,616               | 29,496,263               | 40,731,340               |
| The related parties . . . . .        | 1,012,706                | 3,105,307                | 7,803,198                |
| Associates . . . . .                 | 24,785                   | 80,684                   | 245,227                  |
|                                      | <u>23,616,107</u>        | <u>32,682,254</u>        | <u>48,779,765</u>        |
| Less: loss allowance . . . . .       | (111,626)                | (121,155)                | (340,969)                |
|                                      | <u>23,504,481</u>        | <u>32,561,099</u>        | <u>48,438,796</u>        |
| <b>Note receivables</b>              |                          |                          |                          |
| The third parties . . . . .          | 261,104                  | 234,310                  | 374,704                  |
| The related parties . . . . .        | —                        | 115,605                  | 147,318                  |
|                                      | <u>261,104</u>           | <u>349,915</u>           | <u>522,022</u>           |
| Less: loss allowance . . . . .       | (30)                     | (142)                    | (135)                    |
|                                      | <u>261,074</u>           | <u>349,773</u>           | <u>521,887</u>           |
| <b>Net carrying amount . . . . .</b> | <b><u>23,765,555</u></b> | <b><u>32,910,872</u></b> | <b><u>48,960,683</u></b> |

Our trade and note receivables increased by 38.5% from RMB23.8 billion as of December 31, 2023 to RMB32.9 billion as of December 31, 2024, which was in line with our business growth. Our trade and note receivables increased by 48.8% from RMB32.9 billion as of December 31, 2024 to RMB49.0 billion as of December 31, 2025, primarily due to our business growth and the consolidation of Wingtech Businesses.

The following table sets forth aging analysis of trade receivables, based on past due date and net of loss allowance, as of the dates indicated:

|                                      | As of December 31,       |                          |                          |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
|                                      | 2023                     | 2024                     | 2025                     |
|                                      |                          | (RMB'000)                |                          |
| Not yet past due . . . . .           | 23,209,441               | 32,170,750               | 47,051,898               |
| Past due 1–365 days . . . . .        | 370,849                  | 438,702                  | 1,548,592                |
| Past due 1 year to 2 years . . . . . | 1,807                    | 38,076                   | 74,415                   |
| Past due over 2 years . . . . .      | 34,010                   | 34,726                   | 104,860                  |
| <b>Total . . . . .</b>               | <b><u>23,616,107</u></b> | <b><u>32,682,254</u></b> | <b><u>48,779,765</u></b> |

We calculate the trade and note receivables turnover days using the average of the opening and ending trade and note receivables balances for the year, divided by revenue for the relevant year, multiplied by 365 days. The following table sets forth the number of our trade and note receivables turnover days for the years indicated:

|                                                  | Year ended December 31, |      |      |
|--------------------------------------------------|-------------------------|------|------|
|                                                  | 2023                    | 2024 | 2025 |
| Trade and note receivables turnover days . . . . | 40                      | 38   | 45   |

Our trade and note receivables turnover days decreased from 40 days in 2023 to 38 days in 2024, primarily as we applied comprehensive financial strategies for trade and note receivables management. Our trade and note receivables turnover days increased from 38 days in 2024 to 45 days as of December 31, 2025, primarily due to the consolidation of the Wingtech Businesses.

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As of April 30, 2026, RMB46.7 billion, or approximately 94.8% of our trade and note receivables as of December 31, 2025 were subsequently settled.

### Contract Assets

Our contract assets represented our conditional rights to consideration in exchange for the delivery of our goods or services, arising from sales of automotive components and provision of customized technology development services under the Leoni Business. Contract assets are transferred to trade receivables when the production of automotive components and performance of the service contracts are completed and accepted by our customers, when the rights to considerations become unconditional. As of December 31, 2023, 2024 and 2025, we recorded contract assets of nil, nil, and RMB1,138.3 million, respectively. The increase in contract assets as of December 31, 2025 was primarily attributable to acquisition of the Leoni Business in 2025.

As of April 30, 2026, all of our contract assets as of December 31, 2025 were subsequently certified as trade receivables.

### Restricted Bank Deposits

Our restricted deposits were mainly denominated in RMB and held in separate designated bank accounts as note payable and letter of credit.

### Trade and Note Payables

Our trade and note payables primarily represent liabilities for goods and services provided to us prior to the end of financial year which are unpaid. The credit terms for our trade payables are agreed upon with each supplier, which is up to 180 days.

The following table sets forth our trade and note payables as of the dates indicated:

|                                      | As of December 31, |                   |                   |
|--------------------------------------|--------------------|-------------------|-------------------|
|                                      | 2023               | 2024              | 2025              |
|                                      |                    | (RMB'000)         |                   |
| <b>Trade payables</b>                |                    |                   |                   |
| The third parties . . . . .          | 41,525,608         | 55,615,844        | 71,842,401        |
| The related parties . . . . .        | 416,821            | 1,087,329         | 1,061,057         |
| The associates . . . . .             | 58,044             | 126,037           | 475,131           |
| The joint ventures . . . . .         | 5,532              | 5,324             | 2,349             |
|                                      | <b>42,006,005</b>  | <b>56,834,534</b> | <b>73,380,938</b> |
| <b>Note payables . . . . .</b>       | <b>492,586</b>     | <b>878,336</b>    | <b>3,102,096</b>  |
| <b>Net carrying amount . . . . .</b> | <b>42,498,591</b>  | <b>57,712,870</b> | <b>76,483,034</b> |

Our trade and note payables increased by 35.8% from RMB42.5 billion as of December 31, 2023 to RMB57.7 billion as of December 31, 2024, primarily due to an increase in trade payables, in line with our business growth. Our trade and note payables increased by 32.5% from RMB57.7 billion as of December 31, 2024 to RMB76.5 billion as of December 31, 2025, primarily due to the increased purchases, in line with our business growth.

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The following table sets forth an aging analysis of our trade payables:

|                        | As of December 31, |                   |                   |
|------------------------|--------------------|-------------------|-------------------|
|                        | 2023               | 2024              | 2025              |
|                        |                    | (RMB'000)         |                   |
| Up to 1 year . . . . . | 41,908,336         | 56,690,909        | 72,956,868        |
| 1 to 2 years . . . . . | 78,664             | 102,710           | 339,287           |
| 2 to 3 years . . . . . | 12,250             | 26,054            | 40,857            |
| Over 3 years . . . . . | 6,755              | 14,861            | 43,926            |
| <b>Total . . . . .</b> | <b>42,006,005</b>  | <b>56,834,534</b> | <b>73,380,938</b> |

We calculate the trade and note payables turnover days using the average of the opening and ending trade and note payables balances for the year, divided by cost of sales for the relevant year, multiplied by 365 days. The following table sets forth the number of our trade and note payables turnover days for the years indicated:

|                                                 | Year ended December 31, |      |      |
|-------------------------------------------------|-------------------------|------|------|
|                                                 | 2023                    | 2024 | 2025 |
| Trade and note payables turnover days . . . . . | 77                      | 76   | 83   |

Our trade and note payables turnover days remained relatively stable at 77 days and 76 days in 2023 and 2024, respectively. Our trade and note payables turnover days increased from 76 days in 2024 to 83 days in 2025, primarily due to the acquisition of Wingtech Businesses with better credit terms.

As of April 30, 2026, RMB72.0 billion, or approximately 94.1% of our trade and note payables as of December 31, 2025 were subsequently settled.

### Other Payables and Accruals

Our other payables and accruals primarily comprised (i) other payables for acquisition of PPE; and (ii) payroll and welfare payables.

The following table sets forth our other payables and accruals as of the dates indicated:

|                                                        | As of December 31, |                   |                   |
|--------------------------------------------------------|--------------------|-------------------|-------------------|
|                                                        | 2023               | 2024              | 2025              |
|                                                        |                    | (RMB'000)         |                   |
| <b>Non-current</b>                                     |                    |                   |                   |
| Provision <sup>(3)</sup> . . . . .                     | 643                | 7,088             | 607,657           |
| Payroll and welfare payable . . . . .                  | —                  | —                 | 796,047           |
| Others . . . . .                                       | 1,472              | 757               | 53,527            |
|                                                        | <b>2,115</b>       | <b>7,845</b>      | <b>1,457,231</b>  |
| <b>Current</b>                                         |                    |                   |                   |
| Other payables for acquisition of PPE . . . . .        | 3,902,510          | 8,253,459         | 7,529,671         |
| Payroll and welfare payables . . . . .                 | 2,330,319          | 3,011,324         | 4,951,859         |
| Other taxes payable . . . . .                          | 460,275            | 597,685           | 1,646,794         |
| Accrued Expenses . . . . .                             | 340,742            | 398,735           | 991,796           |
| Deposits . . . . .                                     | 51,330             | 51,223            | 155,463           |
| Dividend payable <sup>(2)</sup> . . . . .              | 11,894             | 52,175            | 1,173,209         |
| Amount due to related parties <sup>(1)</sup> . . . . . | 2,711              | 218               | 209               |
| Amount due to associates <sup>(1)</sup> . . . . .      | —                  | 19                | 53                |
| Others . . . . .                                       | 129,980            | 129,012           | 1,126,437         |
|                                                        | <b>7,229,761</b>   | <b>12,493,850</b> | <b>17,575,491</b> |

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### Notes:

- (1) These amounts are trade in nature, unsecured, interest free and repayable on demand.
- (2) As of the Latest Practicable Date, all of the dividend payable had been settled, except for RMB8.0 million of distribution payables related to our partnership, which will be distributed upon the expiration of partnership. See Note 35 to the Accountants' Report set out in Appendix I to this prospectus.
- (3) Provision primarily arises from (i) certain contractual obligations in relation to Leoni Business, including provisions for loss-making contracts and product quality guarantees; and (ii) asset retirement obligations in relation to the restoration of relevant facilities and environmental remediation requirements.

The fluctuations of our other payables and accruals were primarily due to fluctuations in payables incurred in relation to equipment for upgrades of existing production lines, construction of new production lines, and new R&D centers, as well as the fluctuations in payroll and welfare payable. Our other payables and accruals increased by 72.8% from RMB7,229.8 million as of December 31, 2023 to RMB12,493.9 million as of December 31, 2024, primarily due to increases in the other payables for acquisition of PPE, and payroll and welfare payables, other tax payable and amount due to third parties. Our other payables and accruals increased by 40.7% from RMB12,493.9 million as of December 31, 2024 to RMB17,575.5 million as of December 31, 2025, primarily due to the increase in payroll and welfare payables, resulting from the increased headcount and higher accrued employee remuneration and welfare benefits in certain European jurisdictions than those typically applicable in China.

As of April 30, 2026, RMB14.9 billion of, or approximately 84.9% of our current other payables and accruals as of December 31, 2025 were subsequently settled.

### Contract Liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations. We generally grant our customers credit terms and may collect advances from customers on a case-by-case basis considering the associated credit risks. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB243.6 million, RMB262.5 million and RMB931.3 million, respectively. Fluctuations of our contract liabilities are in line with the fluctuation of pre-sales amount.

As of April 30, 2026, RMB614.0 million, or approximately 65.9% of our contract liabilities as of December 31, 2025 were subsequently recognized as revenue.

### Short-term Financing Bills

Our short-term financing bills include up to one year financing bills from commercial banks. These short-term financing bills do not constitute the bill financing activities as described in Chapter 1.2D of the Guide for New Applicants published by the Stock Exchange. Our short-term financing bills as of December 31, 2023, 2024 and 2025 were RMB802.7 million, RMB5,039.8 million and RMB6,024.5 million, respectively.

### Financial Liabilities at FVTPL

Our financial liabilities at FVTPL consisted of convertible bonds redemption/put options and derivatives. Our financial liabilities at FVTPL as of December 31, 2023, 2024 and 2025 were RMB117.9 million, RMB155.3 million and RMB424.2 million, respectively, primarily due to the fair value fluctuations of derivative financial instruments such as options and forward exchange contracts.

### Deferred Income

Our deferred income consisted of government grants related to long-term assets. Our deferred income as of December 31, 2023, 2024 and 2025 amounted to RMB595.3 million, RMB649.1 million and RMB1,138.4 million, respectively, reflecting fluctuations of our government grants.

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### NET CURRENT ASSETS

The following table sets forth our current assets, current liabilities, and net current assets as of the dates indicated:

|                                                | As of December 31, |                    |                    | As of              |
|------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                | 2023               | 2024               | 2025               | April 30, 2026     |
|                                                | (RMB'000)          |                    |                    | (unaudited)        |
| <b>Current assets</b>                          |                    |                    |                    |                    |
| Inventories . . . . .                          | 29,407,482         | 31,487,096         | 42,010,231         | 46,485,749         |
| Contract fulfillment costs . . . . .           | 350,449            | 215,580            | 322,551            | 287,325            |
| Income tax recoverable . . . . .               | 61,579             | 66,691             | 234,949            | 240,369            |
| Trade and note receivables . . . . .           | 23,765,555         | 32,910,872         | 48,960,683         | 58,335,268         |
| Contract assets . . . . .                      | —                  | —                  | 1,138,331          | 1,161,321          |
| Prepayments and other receivables . . . . .    | 2,957,840          | 3,790,796          | 6,914,399          | 6,827,706          |
| Financial assets at FVTOCI . . . . .           | 587,585            | 1,106,284          | 1,263,240          | 1,714,890          |
| Financial assets at FVTPL . . . . .            | 1,720,764          | 1,403,111          | 2,842,065          | 8,998,294          |
| Derivative financial instruments . . . . .     | —                  | —                  | 102,964            | 84,255             |
| Restricted bank deposits . . . . .             | 3,935,387          | 1,092,553          | 1,818,564          | 2,373,956          |
| Term deposits . . . . .                        | 1,757,335          | 19,205,160         | 31,068,385         | 35,142,917         |
| Cash and cash equivalents . . . . .            | 29,684,152         | 47,267,103         | 59,340,613         | 53,998,586         |
| <b>Total current assets . . . . .</b>          | <b>94,228,128</b>  | <b>138,545,246</b> | <b>196,016,975</b> | <b>215,650,636</b> |
| <b>Current liabilities</b>                     |                    |                    |                    |                    |
| Trade and note payables . . . . .              | 42,498,591         | 57,712,870         | 76,483,034         | 66,459,830         |
| Other payables and accruals . . . . .          | 7,229,761          | 12,493,850         | 17,575,491         | 12,759,665         |
| Contract liabilities . . . . .                 | 243,567            | 262,508            | 931,292            | 1,131,939          |
| Borrowings . . . . .                           | 23,202,679         | 37,415,654         | 70,264,324         | 95,593,751         |
| Lease liabilities . . . . .                    | 129,208            | 153,947            | 587,396            | 613,052            |
| Income tax payable . . . . .                   | 561,049            | 640,604            | 1,172,828          | 1,031,573          |
| Convertible bonds . . . . .                    | 49,592             | —                  | 2,950,609          | 3,418,857          |
| Short-term financing bills . . . . .           | 802,722            | 5,039,812          | 6,024,479          | 7,038,608          |
| Financial liabilities at FVTPL . . . . .       | 117,942            | 155,279            | 424,219            | 335,500            |
| Derivative financial instruments . . . . .     | —                  | —                  | 38,122             | 23,392             |
| Current portion of long term payable . . . . . | —                  | —                  | 36,340             | 36,945             |
| <b>Total current liabilities . . . . .</b>     | <b>74,835,111</b>  | <b>113,874,524</b> | <b>176,488,134</b> | <b>188,443,112</b> |
| <b>Net current assets . . . . .</b>            | <b>19,393,017</b>  | <b>24,670,722</b>  | <b>19,528,841</b>  | <b>27,207,524</b>  |

We had net current assets of RMB27.2 billion as of April 30, 2026, consisting of current assets of RMB215.7 billion and current liabilities of RMB188.4 billion, which represented an increase from the net current assets of RMB19.5 billion as of December 31, 2025. This was primarily due to increases in financial assets at FVTPL and term deposits as we continued to invest our cash from operations.

We had net current assets of RMB19.5 billion as of December 31, 2025, consisting of current assets of RMB196.0 billion and current liabilities of RMB176.5 billion, which represented a decrease of RMB5.1 billion from our net current assets of RMB24.7 billion as of December 31, 2024. This was primarily attributable to an increase in current borrowings.

We had net current assets of RMB24.7 billion as of December 31, 2024, consisting of current assets of RMB138.5 billion and current liabilities of RMB113.9 billion, which represented an increase of RMB5.3 billion from our net current assets of RMB19.4 billion as of December 31, 2023. This was primarily attributable to an increase in cash and cash equivalents and term deposits, partially offset by an increase in trade and note payables.

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We had net current assets of RMB19.4 billion as of December 31, 2023, consisting of current assets of RMB94.2 billion and current liabilities of RMB74.8 billion, which represented an increase of RMB5.7 billion from our net current assets of RMB13.7 billion as of December 31, 2022. This was primarily attributable to an increase in cash and cash equivalents, partially offset by an increase in borrowings.

### LIQUIDITY AND CAPITAL RESOURCES

Our business operations and expansion plans require a significant amount of capital, including cash and cash equivalents as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations and bank borrowings. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB29.7 billion, RMB47.3 billion and RMB59.3 billion, respectively.

#### Cash Flows

The following table sets forth a summary of our cash flows during the years indicated:

|                                                                   | Year ended December 31, |                   |                   |
|-------------------------------------------------------------------|-------------------------|-------------------|-------------------|
|                                                                   | 2023                    | 2024              | 2025              |
|                                                                   | (RMB'000)               |                   |                   |
| Net cash generated from operating activities .                    | 27,605,058              | 27,116,910        | 17,325,330        |
| Net cash used in investing activities . . . . .                   | (19,559,912)            | (35,656,073)      | (24,206,597)      |
| Net cash generated from financing activities .                    | 4,070,266               | 25,890,442        | 19,289,644        |
| Net increase in cash and cash equivalents . .                     | 12,115,412              | 17,351,279        | 12,408,377        |
| Cash and cash equivalents at the beginning of the year . . . . .  | 17,312,418              | 29,684,152        | 47,267,103        |
| Effect of foreign exchange rate changes, net .                    | 256,322                 | 231,672           | (334,867)         |
| <b>Cash and cash equivalents at the end of the year . . . . .</b> | <b>29,684,152</b>       | <b>47,267,103</b> | <b>59,340,613</b> |

#### Operating Activities

Cash flows from operating activities consist of profit before income tax adjusted for certain non-cash or non-operating activities related items. We derive our cash inflow mainly from operating activities through sales of our products and solutions. Cash outflow from operating activities primarily consisted of costs and operating expenses incurred during our daily operations.

Our net cash generated from operating activities was RMB17,325.3 million in 2025. This net cash inflow was attributable to (i) profit before income tax of RMB19,549.9 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of depreciation of PPE and investment properties of RMB12,694.4 million. Such increase was offset by a decrease in working capital including an increase in trade and note payables of RMB14,303.2 million.

Our net cash generated from operating activities was RMB27,116.9 million in 2024. This net cash inflow was attributable to (i) profit before tax of RMB16,108.7 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of depreciation of PPE and investment properties of RMB10,648.2 million; and (ii) an increase in trade and note payables of RMB14,807.3 million.

Our net cash generated from operating activities was RMB27,605.1 million in 2023. This net cash inflow was attributable to (i) profit before tax of RMB12,885.0 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of depreciation of PPE and investment properties of RMB10,087.1 million; (ii) a decrease in inventories and contract fulfillment costs of RMB5,680.1 million; and (iii) a decrease in trade and note receivables of RMB2,095.8 million. These were partially offset by a decrease in trade and note payables of RMB2,484.6 million.



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### *Investing Activities*

Our cash used in investing activities mainly consisted of our cash used in purchase of PPE, intangible assets, and other non-current assets, and net purchase of financial assets. Our cash generated from investing activities mainly consisted of proceeds from net disposal of financial assets and proceeds from disposal of PPE, intangible assets and other non-current assets.

Our net cash used in investing activities was RMB24,206.6 million in 2025. This net cash outflow was primarily due to (i) purchase of PPE, intangible assets and other non-current assets of RMB17,904.3 million; and (ii) net purchase of financial assets of RMB8,273.7 million.

Our net cash used in investing activities was RMB35,656.1 million in 2024. This net cash outflow was primarily due to (i) net purchase of financial assets of RMB22,142.5 million; and (ii) purchase of PPE, intangible assets and other non-current assets of RMB12,110.7 million.

Our net cash used in investing activities was RMB19,559.9 million in 2023. This net cash outflow was primarily due to (i) net purchase of financial assets of RMB9,091.4 million; and (ii) purchase of PPE, intangible assets and other non-current assets of RMB11,387.4 million.

### *Financing Activities*

Our cash generated from financing activities mainly consisted of proceeds from bank borrowings and proceeds from short term financing bills. Cash used in financing activities mainly consisted of repayments of bank borrowings.

Our net cash generated from financing activities was RMB19,289.6 million in 2025. This net cash inflow was primarily due to proceeds from bank borrowings of RMB122,351.8 million. This net cash inflow was partially offset by the repayment of bank borrowings of RMB105,269.9 million.

Our net cash generated from financing activities was RMB25,890.4 million in 2024. This net cash inflow was primarily due to proceeds from bank borrowings of RMB90,538.7 million. This net cash inflow was partially offset by the repayment of bank borrowings of RMB70,178.6 million.

Our net cash generated from financing activities was RMB4,070.3 million in 2023. This net cash inflow was primarily due to proceeds from bank borrowings of RMB91,681.5 million. This net cash inflow was partially offset by the repayment of bank borrowings of RMB82,391.7 million.

### **WORKING CAPITAL SUFFICIENCY**

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations, bank loans and contributions from our shareholders.

Taking into account the financial resources available to us, including cash flow from operating activities and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

## FINANCIAL INFORMATION

### INDEBTEDNESS AND CONTINGENT LIABILITIES

#### Indebtedness

During the Track Record Period, our indebtedness consisted of (i) borrowings; (ii) short-term financing bills; (iii) lease liabilities; (iv) convertible bonds; and (v) medium-term notes. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

|                                            | As of December 31, |                   |                    | As of              |
|--------------------------------------------|--------------------|-------------------|--------------------|--------------------|
|                                            | 2023               | 2024              | 2025               | April 30, 2026     |
|                                            | (RMB'000)          |                   |                    | (unaudited)        |
| <b>Included in current liabilities</b>     |                    |                   |                    |                    |
| Borrowings . . . . .                       | 23,202,679         | 37,415,654        | 70,264,324         | 95,593,751         |
| Short-term financing bills . . . . .       | 802,722            | 5,039,812         | 6,024,479          | 7,038,608          |
| Lease liabilities . . . . .                | 129,208            | 153,947           | 587,396            | 613,052            |
| Convertible bonds . . . . .                | 49,592             | —                 | 2,950,609          | 3,418,857          |
| <b>Sub-total . . . . .</b>                 | <b>24,184,201</b>  | <b>42,609,413</b> | <b>79,826,808</b>  | <b>106,664,268</b> |
| <b>Included in non-current liabilities</b> |                    |                   |                    |                    |
| Borrowings . . . . .                       | 12,038,771         | 19,619,742        | 16,441,983         | 22,570,758         |
| Convertible bonds . . . . .                | 2,799,500          | 3,305,437         | 436,185            | —                  |
| Lease liabilities . . . . .                | 552,489            | 727,983           | 2,352,693          | 2,331,795          |
| Medium-term notes . . . . .                | —                  | —                 | 3,055,652          | 4,012,749          |
| <b>Sub-total . . . . .</b>                 | <b>15,390,760</b>  | <b>23,653,162</b> | <b>22,286,513</b>  | <b>28,915,302</b>  |
| <b>Total . . . . .</b>                     | <b>39,574,961</b>  | <b>66,262,575</b> | <b>102,113,321</b> | <b>135,579,570</b> |

#### Borrowings

The following table sets forth our borrowings as of the dates indicated:

|                                                                     | As of December 31, |                   |                   | As of              |
|---------------------------------------------------------------------|--------------------|-------------------|-------------------|--------------------|
|                                                                     | 2023               | 2024              | 2025              | April 30, 2026     |
|                                                                     | (RMB'000)          |                   |                   | (unaudited)        |
| Unsecured and unguaranteed bank borrowings <sup>(1)</sup> . . . . . | 28,300,005         | 50,761,894        | 65,343,453        | 93,307,148         |
| Secured and unguaranteed bank borrowings <sup>(2)</sup> . . . . .   | 6,284,912          | 6,130,630         | 21,181,463        | 24,760,456         |
| Unsecured and guaranteed bank borrowings <sup>(3)</sup> . . . . .   | 656,533            | 142,872           | 181,391           | 96,905             |
| <b>Total . . . . .</b>                                              | <b>35,241,450</b>  | <b>57,035,396</b> | <b>86,706,307</b> | <b>118,164,509</b> |

#### Notes:

- (1) The range of interest rates of unsecured and unguaranteed bank borrowings were 1.93% to 5.70%, 1.57% to 3.10%, and 1.95% to 6.18% as of December 31, 2023, 2024 and 2025, respectively.
- (2) The range of interest rates of secured and unguaranteed bank borrowings were 2.50% to 7.90%, 1.10% to 6.03%, and 2.03% to 3.85% as of December 31, 2023, 2024 and 2025, respectively.
- (3) The range of interest rates of unsecured and guaranteed bank borrowings were 1.93% to 3.80%, 2.05% to 3.50%, and 2.05% to 6.40% as of December 31, 2023, 2024 and 2025, respectively.

Our borrowings increased by 61.8% from RMB35.2 billion as of December 31, 2023 to RMB57.0 billion as of December 31, 2024, further increased by 52.0% from RMB57.0 billion as of December 31, 2024 to RMB86.7 billion as of December 31, 2025 and further to RMB118.2 billion as of April 30, 2026, primarily due to increased working capital needs to support our growing business operations, in line with our growth in business scale.

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## FINANCIAL INFORMATION

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### *Our Financing Strategy*

We address our financing needs through a diversified combination of short-, medium-, and long-term financings. Our short-term borrowings were generally used for operations while long-term borrowings were allocated to projects. We also actively manage the mix of secured and unsecured borrowings in our portfolio.

During the Track Record Period, we principally utilized short-term borrowings to support our operational liquidity and fund working capital requirements. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our short-term borrowings amounted to RMB23.2 billion, RMB37.4 billion, RMB70.3 billion and RMB95.6 billion, respectively, representing 58.6%, 56.5%, 68.8% and 70.5% of our total indebtedness as of the respective dates. In the ordinary course of our business, we refine the appropriate level of short-term financing on a rolling basis with reference to our operational requirements, seasonal shipment patterns, and financing cost optimization. We maintain a target short-term debt ratio (being the short-term borrowings divided by total indebtedness X 100%) of approximately 70%.

Despite the higher portion of short-term borrowings as compared to long-term borrowings, we monitor our liquidity position to ensure that the level of short-term borrowings remains appropriate. As of December 31, 2023, 2024 and 2025, our current ratio was 1.3x, 1.2x and 1.1x, respectively, and our quick ratio remained as 0.9x as of December 31, 2023, 2024 and 2025, demonstrating that our most liquid assets are sufficient to cover short-term obligations. In addition, we recorded net operating cash inflow of RMB27.6 billion, RMB27.1 billion and RMB17.3 billion in 2023, 2024 and 2025, respectively, reflecting our strong cash generating ability through operations.

In general, the term of our short-term borrowings were 3 to 12 months, and we refinance our short-term borrowings on an ongoing basis as they matured, typically aligned with our operating and cash conversion cycles. During the Track Record Period, our overall effective interest rates declined steadily from 3.37% in 2023 to 2.16% in 2024, and to 1.62% in 2025.

To manage the refinancing risks associated with our reliance on short-term borrowings, we have implemented the following measures, including: (i) maintaining diversified funding sources across multiple financial institutions to avoid concentration risk; (ii) staggering the maturity dates of our borrowing facilities to mitigate the risk of simultaneous refinancing obligations; (iii) maintaining adequate committed credit facilities to provide liquidity buffers; (iv) conducting regular assessments of our debt maturity profile and maintaining ongoing communication with our lending banks to ensure continued access to funding; and (v) implementing operational measures to improve cash flow generation and reduce refinancing pressure, including optimizing inventory turnover by setting inventory targets based on forecasted demand, accelerating collection of trade receivables, and enhancing management of trade payables and capital expenditures, which collectively contributed to us recording net operating cash inflows of RMB27.6 billion, RMB27.1 billion and RMB17.3 billion in 2023, 2024 and 2025, respectively.

Our Directors confirm that there has been no material change in our indebtedness position since April 30, 2026, being the latest practicable date for the purpose of the indebtedness statement. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank loans, we did not have plans for other material external debt financing.

As of April 30, 2026, we had unutilized credit facilities of RMB100.0 billion. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

## FINANCIAL INFORMATION

### Lease Liabilities

The following table sets forth the carrying amount of our lease liabilities as of the dates indicated:

|                        | As of December 31, |                |                  | As of            |
|------------------------|--------------------|----------------|------------------|------------------|
|                        | 2023               | 2024           | 2025             | April 30, 2026   |
|                        | (RMB'000)          |                |                  | (unaudited)      |
| Non-current . . . . .  | 552,489            | 727,983        | 2,352,693        | 2,331,795        |
| Current . . . . .      | 129,208            | 153,947        | 587,396          | 613,052          |
| <b>Total . . . . .</b> | <b>681,697</b>     | <b>881,930</b> | <b>2,940,089</b> | <b>2,944,847</b> |

Our lease liabilities increased from RMB681.7 million as of December 31, 2023 to RMB881.9 million as of December 31, 2024, primarily due to an increase in leased buildings and the increase of lease liabilities from newly acquired companies such as the Qorvo Business and Cosmo Business. Our lease liabilities increased from RMB881.9 million as of December 31, 2024 to RMB2,940.1 million as of December 31, 2025, primarily due to the acquisition of the Wingtech Businesses. Our lease liabilities remained relatively stable at RMB2,940.1 million as of December 31, 2025 and RMB2,944.8 million as of April 30, 2026.

For a maturity analysis of our lease liabilities, see Note 20 to the Accountants' Report set out in Appendix I to this prospectus.

### Contingent Liabilities

As of April 30, 2026, we did not have any material contingent liabilities undertaken by or impacted on our Company or our Group.

## CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

### Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures on purchases of PPE, intangible assets and other non-current assets. Our capital expenditures were RMB11,387 million, RMB12,111 million and RMB17,904 million in 2023, 2024 and 2025, respectively. We expect to incur capital expenditures related to expansion of our production capacity and upgrade of existing production bases. We intend to fund our planned capital expenditures through a combination of the net proceeds from the Global Offering, cash generated from operating activities and debt financings.

### Capital Commitments

We did not have any significant capital commitments as of December 31, 2025.

## OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

## MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not our related parties and the market price during the relevant period. Upon the completion of this Global Offering, we will comply with the relevant Listing Rules and adopt a more prudent approach when reviewing and engaging in related party transactions.

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## FINANCIAL INFORMATION

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### Transactions with Related Parties

During the Track Record Period, our transactions with related parties mainly consisted of (i) sales of goods; (ii) purchases of goods; (iii) leased out buildings to related parties, (iv) leased buildings from related parties; (v) provision of labor services and (vi) purchase of labor services. See Note 44 to the Accountants' Report set out in Appendix I to this prospectus for details of transactions carried out with our related parties during the Track Record Period.

It is the view of our Directors that each of the related party transactions set out in Note 44 of the Accountants' Report in Appendix I to this prospectus (i) was conducted on normal commercial terms and/or on terms not less favorable than terms available from Independent Third Parties, which are considered fair, reasonable and in the interest of our Shareholders as a whole; and (ii) does not distort our Track Record Period results or make our historical results not reflective of future performance.

### KEY FINANCIAL RATIOS

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

|                                        | As of/For the year ended December 31, |      |      |
|----------------------------------------|---------------------------------------|------|------|
|                                        | 2023                                  | 2024 | 2025 |
| <b>Profitability ratios</b>            |                                       |      |      |
| Gross profit margin (%) <sup>(1)</sup> | 11.1                                  | 10.1 | 11.6 |
| Net profit margin (%) <sup>(2)</sup>   | 5.3                                   | 5.4  | 5.5  |
| Return on equity (%) <sup>(3)</sup>    | 21.5                                  | 21.3 | 21.5 |
| <b>Liquidity ratios</b>                |                                       |      |      |
| Current ratio (times) <sup>(4)</sup>   | 1.3                                   | 1.2  | 1.1  |
| Quick ratio (times) <sup>(5)</sup>     | 0.9                                   | 0.9  | 0.9  |

*Notes:*

- (1) Gross profit margin is calculated based on gross profit for the year divided by revenue and multiplied by 100%
- (2) Net profit margin is calculated based on net profit for the year divided by revenue and multiplied by 100%
- (3) Return on equity is calculated based on profit for the year attributable to owners of our Company divided by the average of the opening and closing balances of equity attributable to owners of our Company and multiplied by 100%
- (4) Current ratio is calculated based on total current assets divided by total current liabilities
- (5) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities

For a discussion of the factors affecting our gross profit margin and net profit margin during the Track Record Period, see “—Consolidated Statements of Profit or Loss and Other Comprehensive Income.” Our other key financial ratios remained relatively stable throughout the Track Record Period.

### FINANCIAL RISKS

We are exposed to a variety of financial risks, including market risk, credit risk and liquidity risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For further details, see Note 3 in the Accountants' Report set out in Appendix I to this prospectus.

#### Market Risk

##### *Foreign Exchange Risk*

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Our businesses are principally conducted in RMB, USD and other foreign currencies. Our exchange rate risks mainly arise from financial assets and financial liabilities denominated in U.S. dollars. If the RMB appreciates against U.S. dollar and other factors remain unchanged, our profit before taxation would decrease, and vice versa.

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## FINANCIAL INFORMATION

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We regularly monitor our foreign exchange risk to ensure there is no undue exposure to significant foreign exchange risk. We continuously monitor the scale of foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risk. We may enter into forward foreign exchange contracts or currency swap contracts to hedge against exchange rate risk. For details, see Notes 3.1(a)(i) to the Accountants' Report in Appendix I to this prospectus.

### ***Interest Rate Risk***

Our interest rate risk primarily arises from borrowings, convertible bonds, financial assets at FVTPL, cash and cash equivalents, term deposits, and restricted bank deposits. As of December 31, 2023, 2024 and 2025, respectively, we were not exposed to significant interest rate risk as all financial instruments were mainly fixed-rate instruments with no floating-rate components. We regularly monitor our interest rate risk to ensure there is no undue exposure to significant interest rate risk.

### ***Other Price Risk***

We are exposed to equity price risk mainly arising from investments held by our Group that are classified as FVTOCI. To manage our price risk arising from the investments, we diversify our investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing our Group's liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Sensitivity analysis is performed by management to assess the exposure of our Group's financial results to equity price risk of FVTOCI at the end of each reporting period. If prices of the respective instruments held by us had increased/decreased by 10% as of December 31, 2023, 2024 and 2025, with all other variables held constant, other comprehensive income would increase/decrease approximately RMB20,083,000, RMB6,500,000 and RMB12,926,000, respectively, as a result of gains/losses on financial instruments classified as FVTOCI.

### ***Credit Risk***

We are exposed to credit risk in relation to our cash and cash equivalents, restricted bank deposits, trade receivables and other receivables. The carrying amount of each class of the above assets represents our maximum exposure to credit risk in relation to the corresponding class of assets.

#### ***Credit Risk of Cash and Cash Equivalents and Restricted Bank Deposits***

To manage this risk, our subsidiaries only make transactions with reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The credit losses are assessed to be immaterial.

#### ***Credit Risk of Trade Receivables***

We apply the simplified approach in calculating ECLs for trade receivables. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward-looking information. For customers subjected to individual assessment, the management has fully provided for impairment during the Track Record Period.

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 ECL. The provision rates are based on aging for groupings of various customer segments 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.



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## FINANCIAL INFORMATION

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### *Credit Risk of Other Receivables*

Other receivables mainly comprise amount due from associates, amount due from the related parties, amount due from the third parties and input VAT to be deducted. The management of our Group makes individual assessment on the recoverability of amount due from associates, amount due from the related parties, amount due from the third parties and deposits based on historical settlement records and past experiences. We measure credit risk using probability of default, exposure at default and loss given default. See Note 3 to the Accountants' Report set out in Appendix I to this prospectus for more details in relation to the impairment on other receivables.

The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

### **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. Liquidity risk is centrally managed by our finance department. The finance department ensures we maintain sufficient funding to meet our debt obligations under reasonably foreseeable scenarios by monitoring cash balances, marketable securities, and rolling 12-month cash flow forecasts.

### **DIVIDENDS**

We are incorporated under the laws of the PRC. Our Company has adopted a dividend policy to provide a clear framework for the declaration and payment of dividends. Pursuant to our dividend policy, we may declare dividends after appropriations of statutory and surplus reserves and may be paid in cash, shares or a combination thereof, with priority given to cash dividends, subject to applicable laws and distributable profits. In the absence of material capital expenditure requirements, we shall distribute cash dividends, with annual cash dividends of no less than 10% of distributable profits for the relevant year and aggregate cash dividends for the most recent three years of no less than 30% of the average annual distributable profits for those three years. Cash dividends may be implemented only if the conditions under our dividend policy are satisfied, including positive profits after appropriation of reserves and making up of losses, an unqualified audit report for the relevant year, no material adverse impact on our operations or cash flow arrangements, positive accumulated distributable profits and accumulated distributable profits per share for the year of no less than RMB0.1. The specific dividend plan shall be proposed by our Board and submitted to our Shareholders for approval where required.

The dividend for 2023, 2024 and 2025 was RMB2,153.4 million, RMB1,449.5 million and RMB2,183.8 million (including RMB1,165.1 million declared for the first three quarters of 2025 and RMB1,018.7 million declared for the fourth quarter of 2025), respectively. As of the Latest Practicable Date, save for the dividend declared for the fourth quarter of 2025 of RMB1,018.7 million, we had paid such declared dividends in full.

### **DISTRIBUTABLE RESERVES**

As of December 31, 2025, our Company had retained earnings of RMB66.6 billion, which could be distributed subject to current articles of association of our Company and the PRC Company Law.

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## FINANCIAL INFORMATION

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### LISTING EXPENSES

Our listing expenses mainly include underwriting commissions, and professional fees paid to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the Listing and the Global Offering.

Based on the Offer Price of HK\$63.28 per Share (being the maximum Offer Price stated in this prospectus), the total estimated listing expenses in relation to the Global Offering are RMB197.4 million (HK\$227.1 million), assuming the Over-allotment Option is not exercised, which constitute approximately 0.9% of the gross proceeds. Our total listing expenses consist of (i) underwriting-related expenses and fees of RMB116.3 million (HK\$133.9 million); and (ii) non-underwriting-related expenses of RMB81.1 million (HK\$93.2 million), including (a) fees related to the legal advisors and Reporting Accountants of RMB44.7 million (HK\$51.4 million) and (b) other fees and expenses including Sponsors' fees of RMB36.4 million (HK\$41.8 million). During the Track Record Period, we incurred listing expenses of RMB13.2 million (HK\$15.2 million), of which RMB2.1 million (HK\$2.4 million) was recognized in our consolidated statements of profit or loss and RMB11.1 million (HK\$12.8 million) was recognized as prepayments and other receivables, which is expected to be accounted for as a deduction from equity upon the Listing. We estimate that we will further incur listing expenses of RMB184.2 million (HK\$211.9 million), RMB16.0 million (HK\$18.4 million) of which is expected to be charged to our consolidated statements of profit or loss, and RMB168.2 million (HK\$193.5 million) is directly attributable to the issue of H Shares and expected to be deducted from equity upon the completion of the Global Offering.

Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2026.

### UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

For details, see “Appendix II—Unaudited Pro Forma Financial Information.”

### DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules upon the Listing of the H Shares on the Stock Exchange.

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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

For details of our future plans, see “Business—Our Strategies.”

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$24.0 billion, assuming an Offer Price of HK\$63.28 per Offer Share (being the maximum Offer Price stated in this prospectus), after deducting the underwriting commissions and estimated expenses paid or payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised.

In line with our strategies, we intend to apply the net proceeds from the Global Offering for the following purposes and in the amounts set forth below:

- (1) approximately 35%, or HK\$8,413.7 million, will be allocated to expand our production capacity and upgrade our existing production bases. Specifically:
  - (a) approximately 18%, or HK\$4,327.0 million, will be allocated to increase the production capacity and upgrade the production bases of our automotive electronics business by (A) establishing new production bases, and (B) purchase and upgrade equipment and machinery for the improvement of our intelligent manufacturing production lines at our existing production bases, with a focus on increase of production capacity and improvement of manufacturing efficiency for key products such as automotive wiring harnesses, domain controllers, intelligent driving system hardware, and smart chassis solutions. We are currently considering the following locations for our new production bases: Jiangsu Province, Anhui Province, Shanghai City, Hubei Province and Hebei Province. As market supply and demand dynamics, technological iteration cycles and industry competition continue to evolve, we may further consider and adjust project locations in the future to ensure that the use of proceeds remains dynamically aligned with our development strategy and actual market demand. The estimated allocation of capital investment is approximately (i) 9.8% for establishing new production bases, and (ii) 90.2% for purchasing and upgrading equipment and machinery. We plan to accelerate the construction of related production lines, enhancing our production and fulfillment capabilities. By introducing an intelligent manufacturing management platform, we aim to significantly improve the flexible and dynamic allocation of production capacity and increase the automation level of our production lines. “Dynamic allocation” refers to the ability to adjust production scheduling, material input and process configuration on the same flexible production line within a monthly or quarterly cycle in response to fluctuations in order volumes for different products, thereby overcoming the traditional rigid model of “one production line fixed to one product.” The introduction of our intelligent manufacturing management platform is expected to enhance production flexibility and automation by fundamentally restructuring how production capacity is organized and deployed. With such platform, key production factors, including equipment, processes and labor, will be fully digitized and modularized, enabling capacity to be allocated dynamically. Automation modules and robotic units are digitally modeled and matched with multiple product process requirements at the pre-development stage. As a result, functional modules on the production line can be rapidly reconfigured to execute the manufacturing tasks of different products under platform instructions. This significantly increases equipment utilization and automation collaboration without requiring repetitive large-scale equipment investments, allowing production lines to switch processes with minimal lead time and supporting efficient, flexible manufacturing in response to diversified and fast-iterating market demand. This will help us enhance our leading position in the rapidly growing automotive electronics sector, increase our market share in the automotive electronics PIMS industry, and further strengthen our

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## FUTURE PLANS AND USE OF PROCEEDS

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fulfillment network and supply chain resilience. We plan to allocate approximately HK\$965.7 million, HK\$1,000.0 million, HK\$1,115.0 million and HK\$1,246.3 million, respectively, in 2026, 2027, 2028 and 2029, of the net proceeds for such purpose.

We believe this production capacity expansion plan is supported by sufficient potential market demand. According to Frost & Sullivan, the size of the global intelligent vehicle PIMS market is expected to increase from RMB2,991.1 billion in 2025 to RMB4,621.9 billion in 2030. We are the fourth largest automotive wiring harness PIMS provider in the world in terms of revenue in 2025. With our leading market position combined with our vertical integration capability and our edges in technology innovation, we believe we are well positioned to capture this growth opportunity and demand for our automotive electronic products will increase;

- (b) approximately 17%, or HK\$4,086.6 million, will be allocated to increase the production capacity and upgrade the production bases of our consumer electronics business by (A) establishing new production bases, and (B) purchase and upgrade equipment and machinery for the improvement of our intelligent manufacturing production lines at our existing production bases. We are currently considering the following locations for our new production bases: Jiangsu Province, Zhejiang Province, Guangdong Province, Jiangxi Province and Shandong Province. As market supply and demand dynamics, technological iteration cycles and industry competition continue to evolve, we may further consider and adjust project locations in the future to ensure that the use of proceeds remains dynamically aligned with our development strategy and actual market demand. The estimated allocation of capital investment is approximately (i) 15.4% for establishing new production bases, and (ii) 84.6% for purchasing and upgrading equipment and machinery. This will improve our local production and delivery capabilities to timely fulfill purchase orders from key accounts, reduce logistics costs which improves cash flow, and minimize risks arising from trade frictions. By expanding our distributed manufacturing network, we will enhance our global service capabilities in the consumer electronics sector and strengthen our long-term partnerships with customers. We plan to allocate approximately HK\$1,098.8 million, HK\$1,036.6 million, HK\$1,017.3 million and HK\$934.0 million, respectively, in 2026, 2027, 2028 and 2029, of the net proceeds for such purpose.

We believe this production capacity expansion plan is supported by sufficient potential market demand. According to Frost & Sullivan, the size of the global consumer electronics PIMS market is expected to increase from RMB3,647.3 billion in 2025 to RMB4,946.8 billion in 2030. We are the second largest consumer electronics components and modules PIMS provider in the world in terms of revenue in 2025. With our leading market position combined with our vertical integration capability and our edges in technology innovation, we believe we are well positioned to capture this growth opportunity and demand for our consumer electronic products will increase;

- (2) approximately 30%, or HK\$7,211.7 million, will be allocated to invest in technology R&D, refine our manufacturing processes and enhance our intelligent manufacturing capabilities. Specifically:
  - (a) approximately 10%, or HK\$2,403.9 million, will be allocated to the R&D of new products and manufacturing processes in core business areas, such as consumer electronics and automotive electronics solutions over the next five years to enable us to manufacture next-generation products. This includes next-generation smart terminal products, intelligent cockpit systems, intelligent driving systems, and high-speed connectivity products. These investments will further enhance our foundational R&D capabilities and shorten time-to-market, maintaining our long-term technological edge. We plan to allocate approximately HK\$637.0 million, HK\$579.2 million, HK\$589.4 million and HK\$598.3 million, respectively, in 2026, 2027, 2028 and 2029, of the net proceeds for such purpose;

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## FUTURE PLANS AND USE OF PROCEEDS

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- (b) approximately 10%, or HK\$2,403.9 million, will be allocated to the research in foundational technologies, such as acoustics, optics, electromagnetics, thermodynamics, and materials. This includes validating new materials, optimizing production workflows, and developing structural simulations and packaging solutions. Some of these R&D projects will be conducted through collaborative laboratories jointly established with leading global customers. This R&D initiative will help bridge the gap between product concept and mass production, establishing a unique technological moat. We plan to allocate approximately HK\$481.4 million, HK\$535.6 million, HK\$634.9 million and HK\$752.1 million, respectively, in 2026, 2027, 2028 and 2029, of the net proceeds for such purpose;
- (c) approximately 10%, or HK\$2,403.9 million, will be allocated to the continuous roll-out and upgrade of our “Intelligent 2.0.” The focus will be on integrating key capabilities such as IoT, digital twins, and AI algorithm optimization to achieve a closed-loop control system spanning data auto-collection, auto-analysis, auto-decision-making, and auto-execution. Through intelligent transformation of existing production lines, we aim to significantly enhance automation level and yield rate, contributing to a green, efficient, and sustainable global manufacturing platform. We plan to allocate approximately HK\$525.2 million, HK\$553.1 million, HK\$623.3 million and HK\$702.3 million, respectively, in 2026, 2027, 2028 and 2029, of the net proceeds for such purpose;
- (3) approximately 15%, or HK\$3,605.9 million, will be allocated to invest in high-quality targets in upstream and downstream sectors or related industries. The factors we will consider when selecting targets are (i) whether the target aligns with our long-term goals, taking into account (A) the target company’s market share, technological barriers (e.g., patents and R&D investment) and brand influence, (B) alignment with our development strategy, (C) potential expansion into new sectors and rapid market entry, and (D) customer base, sales network and supply chain resources; (ii) financial indicators, including (A) historical profitability and growth prospects, and (B) reasonable valuation compared with industry peers to avoid excessive premiums; and (iii) operational indicators, including (A) management’s experience, stability, and feasibility of smooth integration, (B) capability of the R&D team and alignment of technology roadmap with industry trends, and (C) management of capacity utilization and production cost. All our investment projects undergo thorough due diligence to assess legal, compliance, and financial risks. Depending on the industry and target, the weighting of the above indicators may vary, with alignment with our long-term goals being the priority. According to Frost & Sullivan, there were approximately 130 to 170 potential targets that meet our criteria as of the Latest Practicable Date. We may acquire either majority or minority equity interest of the potential targets subject to the circumstances. This investment will help us quickly acquire cutting-edge technologies or new product capabilities and accelerate the introduction of existing products or solutions to new clients and industries through synergies in customer resources, sales channels, and supply chains. It will enrich our ecosystem and enhance our integrated capabilities across different fields. As of the Latest Practicable Date, we had not identified any specific investment target;
- (4) approximately 10%, or HK\$2,403.9 million, will be allocated to repay certain existing interest-bearing bank borrowings for working capital purposes, to optimize our capital structure, reduce finance costs, and enhance overall risk resilience and future financing flexibility. Specifically, such existing interest-bearing bank borrowings are loans we borrowed from six commercial banks in China of an aggregate outstanding balance of RMB2,431.4 million with an interest rate of 1.43% to 2.15% per annum, which will mature in November and December 2026; and
- (5) approximately 10%, or HK\$2,403.9 million, will be used for working capital and other general corporate purposes.

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## FUTURE PLANS AND USE OF PROCEEDS

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With the implementation of the aforementioned plans, we believe we will have increased production capacities, higher production efficiency, a more diversified product portfolio, solidified technological advantages and a lower gearing ratio, which will increase our revenue and gross profit, and enhance our risk resilience. Our operating cash flow may be pressured upon initial investment in production capacity expansion and R&D due to rising costs and expenses; as the increased production capacity is utilized and R&D results are commercialized, we expect our operating cash flow to improve.

Based on our current plans, we expect that the net proceeds from the Global Offering will not be used for any overseas investment project and therefore will not require any approval, filing or foreign exchange procedures with relevant PRC authorities in respect of outbound investment.

If the Over-allotment Option is fully exercised, we will receive additional net proceeds of approximately HK\$3,618.2 million (assuming an Offer Price of HK\$63.28 per Offer Share, being the maximum Offer Price stated in this prospectus). In the event that the Over-allotment Option is exercised, we intend to apply the additional net proceeds to the above purposes on a pro rata basis. To the extent our net proceeds is less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that our proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we will only deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under SFO or applicable laws and regulations in the other jurisdictions).

If we urgently need the funds for the above purposes, but cannot immediately obtain the net proceeds from the Global Offering, we will use self-raised funds to meet the relevant funding requirements and replace these self-raised funds with the net proceeds from the Global Offering when the proceeds become available to us.



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## CORNERSTONE INVESTORS

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### THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of US\$1,500 million (equivalent to approximately HK\$11,754 million) (exclusive of brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) (the “**Cornerstone Placing**”). The number of Offer Shares to be subscribed for by the Cornerstone Investors is subject to the determination of the final Offer Price.

Based on the Offer Price of HK\$63.28 per H Share, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 185,736,900 Offer Shares, representing (i) approximately 48.44% of the H Shares pursuant to the Global Offering and approximately 2.41% of total Shares in issue upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) approximately 42.12% of the H Shares pursuant to the Global Offering and approximately 2.39% of total Shares in issue upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Our Company is of the view that, (i) the Cornerstone Placing will ensure a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering and will provide confidence to the market; and (ii) by leveraging on the Cornerstone Investors’ industry reputation and investment experience, the Cornerstone Placing will help to raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Our Company became acquainted with each of the Cornerstone Investors through introduction by business partners of our Company or the Underwriters.

The Cornerstone Placing will form part of the International Offering, and save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors and their respective close associates will not 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 will rank pari passu in all respects with the fully paid Shares in issue following the Global Offering and will be counted towards the public float of our Company under Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

Certain Cornerstone Investors are existing minority Shareholders and/or close associates of existing minority Shareholders of our Company, including Foresight Funds, Taikang Life and HGI, each of which holds more than 1% but less than 2% beneficial interest in our Company. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders. For further details, please refer to the section headed “Waivers and Exemptions—Waiver in Respect of Allocation of H Shares to Existing Minority Shareholders and Their Close Associates”. Save as otherwise disclosed, to the best knowledge of our Company after making reasonable enquiries, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, our Directors, chief executive of our Company, our subsidiaries, our Controlling Shareholders, substantial Shareholders, existing Shareholders or their respective close associates in

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## CORNERSTONE INVESTORS

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relation to the acquisition, disposal, voting, or other disposition of the Offer Shares; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, our Directors, chief executive of our Company, our Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates. As confirmed by each of the Cornerstone Investors, (i) each of the Cornerstone Investors will be utilizing its own internal financial resources, financial resources of its shareholders or the assets managed for its investors (in the case of Cornerstone Investor which is fund or investment manager) as its source of funding for the subscription of the Offer Shares and it has sufficient funds to settle its respective investment under the Cornerstone Placing; and (ii) all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant cornerstone investment. Furthermore, we further confirm that (i) none of the Cornerstone Investors has the right to nominate any Director nor has any representative on our Board; and (ii) none of the Cornerstone Investors is expected to be involved in the management of the business of our Company. In addition, to the best knowledge of our Company, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

The Cornerstone Investors have confirmed that they have sufficient funds to settle the investment amounts, and they will pay and settle in full for the relevant Offer Shares that they have subscribed before dealings in the Offer Shares commence on the Stock Exchange. Some of the Cornerstone Investors have agreed that our Company and Overall Coordinators in their sole discretion may defer the delivery of all or part of the Offer Shares such Cornerstone Investors will subscribe to on a date later than the Listing Date. Where delayed delivery takes place, each of such Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless fully pay for the relevant Offer Shares before the Listing.

To the best knowledge of our Company and 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. Our 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 are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering. If the total demand for H shares in the Hong Kong Public Offering falls within the circumstance as set out in the section headed "Structure of the Global Offering—The Hong Kong Public Offering—Reallocation" in this prospectus, our Company and Overall Coordinators have the absolute discretion, but not obliged, to deduct the number of Offer Shares to be subscribed by the Cornerstone Investors on a pro rata basis under the Hong Kong Public Offering pursuant to Practice Note 18 and Appendix F1 to of the Listing Rules. 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 July 8, 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.

#### **Temasek**

##### ***Taibai***

Taibai Investments Pte. Ltd. ("**Taibai**") is an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Temasek is a global investment company headquartered in Singapore, with a net portfolio value of S\$434 billion as at 31 March 2025. Temasek's Purpose "So

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## CORNERSTONE INVESTORS

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Every Generation Prospers” guides it to make a difference for today’s and future generations. Temasek seeks to build a resilient and forward-looking portfolio that will deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and Brussels, London, Mexico City, New York, Paris, San Francisco, and Washington, DC outside Asia.

### ***True Light***

True Light Investments H Pte. Ltd. (“**True Light**”) is indirectly wholly held by True Light Capital GP Pte. Ltd. (“**True Light GP**”) for and on behalf of True Light Fund I LP (“**True Light Fund**”) in its capacity as general partner of True Light Fund. True Light GP has appointed True Light Capital Pte. Ltd. (“**True Light Capital**”) as the discretionary investment manager of True Light Fund. True Light Fund invests alongside Temasek in high-quality investment opportunities which have a nexus to or have a major business relationship with Greater China. True Light Fund completed its final close in 2023 at US\$3.3 billion and is supported by global investors, including sovereign wealth funds, foundations, financial institutions and family offices. Established in 2021, True Light Capital is an asset manager headquartered in Singapore with offices in both Singapore and Shanghai. True Light Capital manages funds that are focused on investing in Greater China. It applies a theme-driven approach, investing across asset classes, sectors and stages, and has the ability to invest and hold through cycles. Both True Light GP and True Light Capital are each independent, indirectly wholly-owned subsidiaries of Temasek.

### **HHLRA**

HHLR Advisors, Ltd. (“**HHLRA**”) is an exempted company incorporated in the Cayman Islands that acts as the investment manager of investment funds (collectively the “**HHLRA Funds**”), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds. HHLRA intends to hold the Offer Shares through one of the HHLRA Funds, namely HACF, L.P. HHLRA also acts as the investment manager of segregated management accounts (“**SMAs**”). HHLRA intends to hold the Offer Shares through an SMA managed for CPP Investments. HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions. HHLRA is entering the Cornerstone Investment Agreement with the Company in its capacity as a discretionary investment manager and on behalf of the HHLRA Funds and SMAs.

### **GIC**

GIC Private Limited (“**GIC**”) is a leading global investment firm established in 1981 to secure Singapore’s financial future. As the manager of Singapore’s foreign reserves, it takes a long-term, disciplined approach to investing. Its asset allocation strategy spans three asset groups—equities, fixed income, and real assets. These include investments in developed and emerging market equities, nominal and inflation-linked bonds, private equity, real estate, alternatives, and infrastructure. It is headquartered in Singapore, with a global presence including a talent force of over 2,300 people in 11 key financial cities and investments in over 40 countries. It seeks to add meaningful value to its investments and be an investor of choice by leveraging its long-term approach, multi-asset capabilities, and global connectivity.

### **CPE Neem**

CPE Neem Investment Limited (“**CPE Neem**”) is a business company incorporated under the laws of the British Virgin Islands and its primary business activity is investment holding. It is a subsidiary of CPE Global Opportunities Fund II, L.P. (“**CPE GOF II**”), an exempted limited partnership formed under the laws of the Cayman Islands. Apart from CPE GOF II, no other shareholder holds 30% or more interest in CPE Neem. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management

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## CORNERSTONE INVESTORS

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International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons and none of whom holds 30% or more interest in CPE Management International II Limited. CPE GOF II's investor base comprises both corporate and entrepreneurial investors, and none of the limited partners hold 30% or more interest in CPE GOF II.

### 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 include institutional investors and high-net-worth individual professional investors. Mr. Jiang Jinzhi (蔣錦志) 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 discretionary investment manager of Golden China Master Fund and Greenwoods Value Income Fund. No single ultimate beneficial owner holds 30% or more interest in Golden China Master Fund, and no single ultimate beneficial owner other than Mr. Yang Xianxiang (楊現祥), an Independent Third Party, holds 30% or more interest in Greenwoods Value Income Fund.

### Foresight Funds

Foresight Global Superior Choice SPC—Global Superior Choice Fund 1 SP ("**GSC Fund 1**"), Foresight Global Superior Choice SPC—Vision Fund 1 SP ("**Vision Fund 1**"), Foresight Global Superior Choice SPC—Horizon Fund 1 SP ("**Horizon Fund 1**") and Foresight Global Superior Choice SPC—Horizon Next Fund SP ("**Horizon Next Fund**") are all sub funds of Foresight Global Superior Choice SPC, which was incorporated in the Cayman Islands on October 17, 2016. Foresight China Equity Fund is a sub-fund of Foresight International Series, which is an open-ended umbrella unit trust established under the laws of Hong Kong pursuant to the Trust Deed ("**FSCEF**", together with GSC Fund 1, Vision Fund 1, Horizon Fund 1 and Horizon Next Fund, the "**Foresight Funds**"). The Foresight Funds are currently managed in full discretion by Foresight Fund (Hong Kong) Limited ("**Foresight HK**"), a wholly owned subsidiary of Foresight Fund Management Company Limited ("**Foresight Fund Management**"). There is no ultimate beneficial owner holding 30% or more interest in each of the Foresight Funds.

Foresight HK was incorporated in Hong Kong on April 26, 2022, and is licensed by the SFC to carry on type 4 (advising on securities) and type 9 (asset management) regulated activities in Hong Kong. Foresight Fund Management is a Shanghai-based asset management company and was founded by Mr. Chen Guangming (陳光明), an Independent Third Party. Foresight Fund Management is the investment advisor of the GSC Fund 1 and Vision Fund 1. Mr. Chen Guangming holds approximately 47.57% interest in Foresight Fund Management, while no other shareholder holds 30% or more interest in Foresight Fund Management.

### ADIA

Established in 1976, the Abu Dhabi Investment Authority ("**ADIA**") is a globally-diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long-term value creation. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories including developed equities, emerging market equities, small cap equities, government bonds, credit, fixed income, real estate, infrastructure, private equity, cash and alternatives.

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## CORNERSTONE INVESTORS

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### UBS AM Singapore

UBS Asset Management (Singapore) Ltd. (“**UBS AM Singapore**”), a company incorporated in Singapore in December 1993, has entered into a Cornerstone Investment Agreement with our Company, the Sponsors and the Overall Coordinators, in its capacity as the delegate of the investment manager on a discretionary basis for and on behalf of the following fund(s): (i) UBS (Lux) Equity Fund—Greater China (USD); (ii) UBS (Lux) Equity Fund—China Opportunity (USD); (iii) UBS (HK) Fund Series—China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV—All China (USD); and (v) certain other segregated accounts and mandates. To the best of UBS AM Singapore’s knowledge, no single ultimate beneficial owner holds 30% or more interest in those funds. UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG’s shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS).

### Oaktree

Oaktree Capital Management, L.P. (“**Oaktree**”) is the investment manager of Oaktree Emerging Markets Equity Fund, L.P. and certain funds and separately managed accounts within its Emerging Markets Equity strategy (severally and not jointly) (each, an “**Oaktree Fund**”, and collectively the “**Oaktree Funds**”). Oaktree Emerging Markets Equity Fund, L.P. had 47 limited partners as of May 31, 2026, and other than an institutional investment portfolio, no limited partner holds 30% or more interests in Oaktree Emerging Markets Equity Fund, L.P. as of May 31, 2026, while the other Oaktree Funds are also managed by Oaktree in its sole discretion. Oaktree is a Delaware limited partnership and is registered as an investment adviser with the United States Securities and Exchange Commission. Oaktree is a global investment management firm managing a broad array of complementary strategies in four asset classes: credit, private equity, real assets and listed equities, and maintains a contrarian, value-oriented investment philosophy. Oaktree’s investor base includes institutional investors such as pension plans, insurance companies, sovereign wealth funds, endowments and foundations. Brookfield Corporation, a company publicly listed on the New York Stock Exchange (ticker symbol: BN) and the Toronto Stock Exchange (ticker symbol: BN), is the only ultimate beneficial owner that indirectly holds an economic interest of 30% or more in Oaktree as of May 31, 2026.

### Eastspring

#### *Eastspring Singapore and Eastspring HK*

Eastspring Investments (Singapore) Limited (“**Eastspring Singapore**”), established in 1994 and headquartered in Singapore, and Eastspring Investments (Hong Kong) Limited (“**Eastspring HK**”), established in 1994 (collectively, “**Eastspring**”), bring over 30 years of investment expertise in Asia. Eastspring is ultimately wholly owned by Prudential plc, a publicly listed company which has dual primary listings on the Stock Exchange of Hong Kong (HKEX: 2378) and the London Stock Exchange (LSE: PRU), a secondary listing on the Singapore Stock Exchange (SGX: K6S), and a listing on the New York Stock Exchange (NYSE: PUK) in the form of American Depositary Receipts.

Eastspring, acting as the discretionary investment manager for and on behalf of ten discretionary funds established under various jurisdictions (collectively, the “**ESI Managed Funds**”), has agreed to participate in the Global Offering and for such ESI Managed Funds to invest as Cornerstone Investors. Save for Prudential plc, no other ultimate beneficial owner holds an interest of 30% or more in each of the ESI Managed Funds. The holders of the ESI Managed Funds and their respective ultimate beneficial owners (including Prudential plc) are, to the best of the knowledge, information, and belief of our Company, Independent Third Parties.



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## CORNERSTONE INVESTORS

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### First Sentier Investors

First Sentier Investors (Hong Kong) Limited (“**First Sentier Investors HK**”) is a private company incorporated in Hong Kong 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 in Hong Kong. First Sentier Investors HK is a discretionary asset manager with assets under management of at least HK\$200 billion as of December 31, 2025 and has an investment track record of at least 15 years.

First Sentier Investors (Singapore) (“**First Sentier Investors SG**”, together with First Sentier Investors HK, “**First Sentier Investors**”) is an unlimited public company incorporated in Singapore and is licensed by the Monetary Authority of Singapore as a capital markets services licensee under the Securities and Futures Act to conduct regulated activities of fund management and dealing in capital markets products. First Sentier Investors SG is a discretionary asset manager with assets under management of at least HK\$80 billion as of December 31, 2025 and has decades of investment track record.

Each of First Sentier Investors HK and First Sentier Investors SG is an indirect wholly-owned subsidiary of First Sentier Group Limited. First Sentier Group Limited is in turn a wholly-owned indirect subsidiary of Mitsubishi UFJ Financial Group, Inc., a company listed on the Tokyo Stock Exchange (stock code: 8306), the Nagoya Stock Exchange (stock code: 8306) and the New York Stock Exchange (stock code: MUFG). Each of First Sentier Investors HK and First Sentier Investors SG will subscribe for the Offer Shares as cornerstone investor in its capacity as the discretionary asset manager for and on behalf of certain funds and mandates.

### 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. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. (廣發証券股份有限公司) (“**GF Securities**”), a company limited by shares listed on the Stock Exchange (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 SFC 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.

GF Securities is the holding company of GF Securities (Hong Kong) Brokerage Limited, one of the Capital Market Intermediaries of the Global Offering. Both GF Fund Management and GF Fund HK are members of the same group of companies as GF Securities (Hong Kong) Brokerage Limited and therefore is a “connected client” of GF Securities (Hong Kong) Brokerage Limited. Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph



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## CORNERSTONE INVESTORS

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1C(1) of Appendix F1 to the Listing Rules to permit GF Fund Management and GF Fund HK to participate in the Global Offering as cornerstone investors subject to certain conditions. See “Waivers and Exemptions” for details.

### **China Universal (HK)**

China Universal Asset Management (Hong Kong) Company Limited (“**China Universal (HK)**”), founded in November 2009, is a wholly owned subsidiary of China Universal Asset Management Co., Ltd. (匯添富基金管理股份有限公司). China Universal (HK) is among the first group of Chinese fund management company subsidiaries established outside of Chinese Mainland. China Universal (HK) 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.

China Universal (HK) manages investment funds, provides investment advisory services, and manages discretionary accounts. The subscription of the Offer Shares as a cornerstone investor will be made by China Universal (HK) in its capacity as the investment manager on a discretionary basis for and on behalf of following fund(s) and/or discretionary account(s): (i) Huafu International Asset Management Limited—Client Account 1; (ii) LC Logistics, Inc; (iii) Seraphim Advantage Inc.; (iv) Excellent Tide Securities Limited for and on behalf of Excellent Tide Eurasia OFC—Excellent Tide Eurasia No. 1 Fund; and (v) China Universal Special Situation Fund SPC—CUAM Flexible Strategy Fund SP.

To the best knowledge and belief of China Universal (HK), Fujian Financial Investment Co., Ltd, a company wholly owned by Fujian Provincial Department of Finance, holds 30% or more interest in Huafu International Asset Management Limited—Client Account 1; XU Xin and LI Yan hold 30% or more interest in LC Logistics, Inc; WANG Jun holds 30% or more interest in Seraphim Advantage Inc.; HUA Zhongjie and ZHANG Ping hold 30% or more interest in Excellent Tide Eurasia OFC—Excellent Tide Eurasia No. 1 Fund; and no single ultimate beneficial owner holds 30% or more interest in China Universal Special Situation Fund SPC—CUAM Flexible Strategy Fund SP.

### **Bosera International**

Bosera Asset Management (International) Co., Limited (“**Bosera International**”) was incorporated in Hong Kong in 2010 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 in Hong Kong. Bosera International is owned as to 55% by Bosera Asset Management Co., Limited and as to 45% by China Merchants Fund Management Co., Limited. Bosera Asset Management Co., Limited is owned as to 49% by China Merchants Securities Co., Ltd. (“**China Merchants Securities**”), shares of which are on the Stock Exchange (stock code: 6099) and the Shanghai Stock Exchange (stock code: 600999), with no other single beneficial owner holding 30% or more interest therein. China Merchants Fund Management Co., Limited is owned as to 55% by China Merchants Bank Co., Ltd., a company listed on the Stock Exchange (stock code: 3968) and the Shanghai Stock Exchange (stock code: 600036), with the remaining 45% interest held by China Merchants Securities. Bosera International has participated in the Global Offering in its capacity as the discretionary investment advisor or investment manager for and on behalf of certain funds. Bosera International is a discretionary asset manager with assets under management of at least HK\$130 billion as of March 31, 2026.

### **Fidelity International**

FIL Investment Management (Hong Kong) Limited (“**Fidelity International**”) will enter into a Cornerstone Investment Agreement with our Company and the Joint Sponsors in the capacity as fiduciary and agent for the following entities: Fidelity China Special Situations PLC, a sub-fund of Fidelity Funds—China Consumer, a sub-fund of Fidelity Funds—China Innovation, a sub-fund of Fidelity Funds—Emerging Asia, a sub-fund of Fidelity Funds—Technology Opportunities and a certain other third-party fund, all of which are advised or sub-advised by FIL Investment Management (Hong Kong) Limited and its related group of companies collectively known as Fidelity International on a discretionary basis. Fidelity International was established in 1969 and is responsible for total client assets of US\$1,062.3 billion, Fidelity Canada included, as of March 31, 2026.

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## CORNERSTONE INVESTORS

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### **Value Partners**

Each of Value Partners Hong Kong Limited (“**VPHKL**”), a company incorporated in Hong Kong in 1999, and Value Partners Limited (“**VPL**”), a company incorporated in the British Virgin Islands in 1991, (together with other subsidiaries under Value Partners Group Limited (“**Value Partners**”)), is licensed by the SFC to carry on regulated activities in Hong Kong and will subscribe for the Offer Shares as cornerstone investors in their respective capacity as the discretionary investment manager or investment advisor for and on behalf of certain investment funds. Both VPHKL and VPL 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. Headquartered in Hong Kong and operating 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 December 31, 2025, Value Partners has assets under management of approximately US\$6.2 billion.

Since GF Securities (Hong Kong) Brokerage Limited is interested in 20.04% of the issued share capital of Value Partners, it renders each of VPHKL and VPL an associate of GF Securities (Hong Kong) Brokerage Limited. Each of VPHKL and VPL is therefore a member of the same group of companies as GF Securities (Hong Kong) Brokerage Limited, and each of Value Partners Fund, VPHKL and VPL is considered a “connected client” of GF Securities (Hong Kong) Brokerage Limited. Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit VPHKL and VPL to participate in the Global Offering as cornerstone investors subject to certain conditions. See “Waivers and Exemptions” for details.

### **Taikang Life**

Taikang Life Insurance Co., Ltd (“**Taikang Life**”), a company incorporated in the PRC, 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. Taikang Insurance Group Inc. is an insurance and financial service conglomerate focused on insurance, asset management and health and elderly care as main businesses.

### **Tencent**

#### ***Huang River***

Huang River Investment Limited (“**Huang River**”) is wholly owned by Tencent Holdings Limited (“**Tencent**”), a company listed on the Stock Exchange (stock code: 00700 (HKD Counter) and 80700 (RMB Counter)). Tencent is principally engaged in the provision of communication, social, digital content, games, marketing, fintech and cloud services in the PRC.

#### ***Prosper High***

Prosper High Holding Limited (“**Prosper High**”) is an exempted company with limited liability incorporated in the Cayman Islands. Prosper High is wholly owned by TPP Fund II, L.P., whose general partner is TPP GP II, Ltd., which is in turn ultimately controlled by Tencent. No limited partner of TPP Fund II, L.P. holds 30% or more partnership interest.

### **Mirae Investors**

Mirae Asset Securities Co., Ltd (“**Mirae Securities**”) and Mirae Asset Global Investments Co., Ltd. (“**Mirae Asset**”, together with Mirae Securities, “**Mirae Investors**”) have, respectively, entered into Cornerstone Investment Agreements with our Company.

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## CORNERSTONE INVESTORS

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### *Mirae Securities*

Mirae Securities is one of the largest investment banks incorporated in the Republic of Korea, providing a comprehensive range of financial services including brokerage, wealth management, investment banking, sales & trading, and principle investments. The company is ultimately controlled by Mirae Asset Capital Co., Ltd., a financial investment company incorporated in the Republic of Korea. The company engages primarily in corporate lending, structured finance, and strategic investments to support the broader Mirae Asset Financial Group. Mirae Securities is listed on the Korea Exchange under stock code 006800.KS. Mirae Securities will subscribe for the Offer Shares as cornerstone investor on a proprietary basis.

### *Mirae Asset*

Mirae Asset is a leading independent asset management company headquartered in Seoul, Republic of Korea. Founded in 1997, it is a core part of the Mirae Asset Financial Group, one of Asia's largest financial services groups. The company has established itself as a global asset manager with a strong presence in major financial markets worldwide, operating in 15 countries and regions and providing innovative investment solutions. Mirae Asset Global Investments is owned as to 60.19% by Mr. Park Hyeon-joo and 36.92% by Mirae Asset Consulting Co., Ltd., which is in turn held as to 48.49% by Mr. Park Hyeon-joo, whose spouse also holds 10.15%. Other than Mr. Park Hyeon-joo, no ultimate beneficial owner holds 30% or more in Mirae Asset Consulting Co., Ltd. Both Mr. Park Hyeon-joo and his spouse are Independent Third Parties. Mirae Asset will subscribe for the Offer Shares as cornerstone investor in its capacity as the discretionary investment managers of certain sub-funds under its management on a discretionary basis.

### **Perseverance Asset Management**

Perseverance Asset Management International (Singapore) Pte. Ltd. (“**Perseverance Asset Management**”) acts as the investment advisor or investment manager on a discretionary basis of certain investment funds and/or separated managed accounts (collectively the “**Perseverance Funds**”). No single ultimate beneficial owner holds 30% or more interest in each of the Perseverance Funds. Perseverance Asset Management is a private limited company incorporated in Singapore in October 2018, and holds a capital markets services license for fund management with Monetary Authority of Singapore. Perseverance Asset Management is wholly owned by Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services and an Independent Third Party. Perseverance Asset Management is entering into the Cornerstone Investment Agreement with our Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

### **HGI**

Harvest Global Investments Limited (嘉實國際資產管理有限公司) (“**HGI**”), a company established in Hong Kong in 2008, 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, and is a wholly-owned subsidiary of Harvest Financial Group Limited (“**HFG**”) since July 2024, which is in turn wholly owned by Harvest Fund Management Co., Ltd (“**HFM**”). HFM is owned as to 40% by China Credit Trust Co. Ltd (中誠信託有限責任公司) (which is in turn held as to 32.9% by The People's Insurance Company (Group) of China Limited, a company listed on the Shanghai Stock Exchange (stock code: 601319) and the Stock Exchange (stock code: 1339)), 30% by Lixin Investment Co., Ltd (立信投資有限責任公司) and 30% by DWS Investments Singapore Limited. HFM was established as one of the first asset management companies in China in 1999.

HGI will subscribe for the Offer Shares as cornerstone investor in its capacity as the discretionary investment manager for and on behalf of certain funds and mandate accounts. To the best of HGI's knowledge, no single ultimate beneficial owner holds 30% or more interest in the participating funds or accounts, and each of such fund or account is an independent third party.

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## CORNERSTONE INVESTORS

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### Millennium

Millennium Capital Management (Singapore) Pte. Ltd. (“**Millennium Capital**”) is the principal investment manager of Integrated Core Strategies (Asia) Pte. Ltd. (“**Millennium ICSA**”), the cornerstone investor, and manages Millennium ICSA on a discretionary basis. Millennium Capital is one of the investment management entities in the Millennium Group (Millennium Capital, together with its affiliated entities, are collectively referred to herein as “**Millennium**”). Millennium is a global, diversified alternative investment management firm and seeks to pursue a diverse range of investment strategies across industry sectors, asset classes and geographies. Millennium ICSA is incorporated in Singapore and Millennium Capital is licensed by the Monetary Authority of Singapore. Apart from Mr. Israel Englander, no ultimate beneficial owner holds 30% or more in Millennium Capital. No ultimate beneficial owner holds 30% or more interest in Millennium ICSA.

### Jane Street

Jane Street Asia Trading Limited (“**Jane Street**”) is a private company limited by shares formed in Hong Kong and engages in securities investment and trading activities. Its ultimate controlling shareholder is Jane Street Group, LLC which is a limited liability company incorporated in Delaware. There is no ultimate beneficial owner holding an economic interest of 30% or more in Jane Street Group, LLC.

### WT Asset Management

WT Asset Management Limited (“**WT Asset Management**”) is a company incorporated in Hong Kong with limited liability and is licensed by the SFC to carry on type 9 (asset management) regulated activity in Hong Kong. WT Asset Management is beneficially owned as to 100% by Mr. Tongshu Wang (王通書), an Independent Third Party. WT Asset Management has agreed to procure certain investors, namely WT China Fund Limited, WT China Focus Fund, WT Growth Fund and/or a segregated management account (investment portfolio professionally managed by WT Asset Management (as investment manager) where the investor owns the underlying investments directly) (collectively, the “**Funds**”), that WT Asset Management has discretionary investment management power over, to subscribe for such number of the Investor Shares. The Funds are managed by WT Asset Management as investment manager. The Funds pursue to achieve absolute return and long-term capital appreciation by investing primarily in the listed securities of companies which have great exposure or material impact by the PRC. Investors of the Funds include but are not limited to pension funds, fund of funds, family offices and other sophisticated institutional investors. Save for Mr. Tongshu Wang (王通書) who holds over 30% interests in WT Growth Fund and WT China Focus Fund, and the single ultimate beneficial owner of the segregated management account which is a pension fund based in North America respectively, no other single ultimate beneficial owner holds 30% or more interest in the Funds. Each of the Funds is an Independent Third Party.

### MY.Alpha

MY Asian Opportunities Master Fund, L.P. (“**MY Asian**”) is a fund established in the Cayman Islands and managed by MY.Alpha Management HK Advisors Limited (“**MY.Alpha**”), a discretionary hedge fund manager that is licensed by the SFC to carry on type 4 (advising on securities) and type 9 (asset management) regulated activities in Hong Kong and is indirectly owned by Masahiko Yamaguchi, an Independent Third Party. MY.Alpha is headquartered in Hong Kong and is principally engaged in asset management on behalf of institutions, endowments, foundations, funds of funds, wealthy individuals and their families. MY Asian’s investment strategy is to invest in Asian companies using a catalyst-driven, fundamental value approach and to provide consistent, superior risk-adjusted investment returns relatively independent of the overall market. MY Asian has more than 100 investors and none of the investors holds more than 10% of the fund interests.

## CORNERSTONE INVESTORS

### Polymer

Polymer Asia Fund LP (“**Polymer**”) is an investment fund established as an exempted limited partnership under the laws of Cayman Islands. Polymer is managed on a discretionary basis by its investment manager, Polymer Capital Management (HK) Limited, which is a company incorporated under the laws of Hong Kong with limited liability and is (i) licensed by the SFC to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities (CE Number: BOO295) in Hong Kong, (ii) registered as a commodity pool operator under the Commodity Futures Trading Commission of the United States and (iii) approved as a NFA Member and SWAP Firm by the National Futures Association of the United States (“**NFA**”) (NFA ID: 0545181) as of the Latest Practicable Date. As of the Latest Practicable Date, (i) other than Polymer Asia (Cayman) Fund Ltd, there is no entity or individual who holds 30% or more ultimate beneficial ownership interest in Polymer; (ii) there is no entity or individual who holds 30% or more ultimate beneficial ownership interest in Polymer Asia (Cayman) Fund Ltd.; and (iii) other than Wai Yuk Chi Angus and PAG, there is no entity or individual who holds 30% or more ultimate beneficial ownership interest in Polymer Capital Management (HK) Limited.

The table below sets forth details of the Cornerstone Placing based on the Offer Price of HK\$63.28 per H Share:

| Based on an Offer Price of HK\$63.28 per H Share (being the maximum Offer Price) |                                                        |                                       |                                                     |                                                     |                                                         |                                                     |
|----------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------|-----------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------|
| Cornerstone Investor                                                             | Subscription Amount (US\$) (in million) <sup>(1)</sup> | Number of Offer Shares <sup>(2)</sup> | Assuming the Over-allotment Option is not exercised |                                                     | Assuming the Over-allotment Option is exercised in full |                                                     |
|                                                                                  |                                                        |                                       | Approx.% of the H Shares                            | Approx.% of the total issued capital of our Company | Approx.% of the H Shares                                | Approx.% of the total issued capital of our Company |
| Temasek . . . . .                                                                | 200                                                    | 24,765,100                            | 6.46%                                               | 0.32%                                               | 5.62%                                                   | 0.32%                                               |
| <i>Taibai</i> . . . . .                                                          | 160                                                    | 19,812,100                            | 5.17%                                               | 0.26%                                               | 4.49%                                                   | 0.26%                                               |
| <i>True Light</i> . . . . .                                                      | 40                                                     | 4,953,000                             | 1.29%                                               | 0.06%                                               | 1.12%                                                   | 0.06%                                               |
| HHLRA . . . . .                                                                  | 200                                                    | 24,765,100                            | 6.46%                                               | 0.32%                                               | 5.62%                                                   | 0.32%                                               |
| HHLRA (as the investment Manager of an SMA managed for CPP Investments) . . . .  | 15                                                     | 1,857,300                             | 0.48%                                               | 0.02%                                               | 0.42%                                                   | 0.02%                                               |
| GIC . . . . .                                                                    | 150                                                    | 18,573,800                            | 4.84%                                               | 0.24%                                               | 4.21%                                                   | 0.24%                                               |
| CPE Neem . . . . .                                                               | 75                                                     | 9,286,900                             | 2.42%                                               | 0.12%                                               | 2.11%                                                   | 0.12%                                               |
| HK Greenwoods . . . . .                                                          | 70                                                     | 8,667,800                             | 2.26%                                               | 0.11%                                               | 1.97%                                                   | 0.11%                                               |
| Foresight Funds . . . . .                                                        | 70                                                     | 8,667,800                             | 2.26%                                               | 0.11%                                               | 1.97%                                                   | 0.11%                                               |
| ADIA . . . . .                                                                   | 45                                                     | 5,572,100                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| UBS AM Singapore . . . . .                                                       | 45                                                     | 5,572,100                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| Oaktree. . . . .                                                                 | 45                                                     | 5,572,100                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| Eastspring . . . . .                                                             | 45                                                     | 5,572,000                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| <i>Eastspring SG</i> . . . . .                                                   | 37.5                                                   | 4,643,400                             | 1.21%                                               | 0.06%                                               | 1.05%                                                   | 0.06%                                               |
| <i>Eastspring HK</i> . . . . .                                                   | 7.5                                                    | 928,600                               | 0.24%                                               | 0.01%                                               | 0.21%                                                   | 0.01%                                               |
| First Sentier Investors . . . . .                                                | 45                                                     | 5,572,100                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| <i>First Sentier Investors HK</i> . . . . .                                      | 43.9                                                   | 5,434,300                             | 1.42%                                               | 0.07%                                               | 1.23%                                                   | 0.07%                                               |
| <i>First Sentier Investors SG</i> . . . . .                                      | 1.1                                                    | 137,800                               | 0.04%                                               | 0.002%                                              | 0.03%                                                   | 0.002%                                              |
| GF Fund . . . . .                                                                | 45                                                     | 5,572,100                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| <i>GF Fund Management</i> . . . . .                                              | 25                                                     | 3,095,600                             | 0.81%                                               | 0.04%                                               | 0.70%                                                   | 0.04%                                               |
| <i>GF Fund HK</i> . . . . .                                                      | 20                                                     | 2,476,500                             | 0.64%                                               | 0.03%                                               | 0.56%                                                   | 0.03%                                               |
| China Universal (HK) . . . . .                                                   | 45                                                     | 5,572,100                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| Bosera International . . . . .                                                   | 45                                                     | 5,572,100                             | 1.45%                                               | 0.07%                                               | 1.26%                                                   | 0.07%                                               |
| Fidelity International . . . . .                                                 | 30                                                     | 3,714,700                             | 0.97%                                               | 0.05%                                               | 0.84%                                                   | 0.05%                                               |
| Value Partners . . . . .                                                         | 30                                                     | 3,714,700                             | 0.97%                                               | 0.05%                                               | 0.84%                                                   | 0.05%                                               |
| <i>VP HKL</i> . . . . .                                                          | 26.1                                                   | 3,231,800                             | 0.84%                                               | 0.04%                                               | 0.73%                                                   | 0.04%                                               |
| <i>VPL</i> . . . . .                                                             | 3.9                                                    | 482,900                               | 0.13%                                               | 0.01%                                               | 0.11%                                                   | 0.01%                                               |
| Taikang Life . . . . .                                                           | 30                                                     | 3,714,700                             | 0.97%                                               | 0.05%                                               | 0.84%                                                   | 0.05%                                               |

## CORNERSTONE INVESTORS

Based on an Offer Price of HK\$63.28 per H Share (being the maximum Offer Price)

| Cornerstone Investor                    | Subscription<br>Amount (US\$)<br>(in million) <sup>(1)</sup> | Number of Offer<br>Shares <sup>(2)</sup> | Assuming the Over-allotment Option<br>is not exercised |                                                              | Assuming the Over-allotment Option<br>is exercised in full |                                                              |
|-----------------------------------------|--------------------------------------------------------------|------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|
|                                         |                                                              |                                          | Approx.% of<br>the H Shares                            | Approx.% of<br>the total issued<br>capital of<br>our Company | Approx.% of<br>the H Shares                                | Approx.% of<br>the total issued<br>capital of<br>our Company |
|                                         |                                                              |                                          |                                                        |                                                              |                                                            |                                                              |
| Tencent . . . . .                       | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| <i>Huang River</i> . . . . .            | 24                                                           | 2,971,800                                | 0.77%                                                  | 0.04%                                                        | 0.67%                                                      | 0.04%                                                        |
| <i>Prosper High</i> . . . . .           | 6                                                            | 742,900                                  | 0.19%                                                  | 0.01%                                                        | 0.17%                                                      | 0.01%                                                        |
| Mirae Investors . . . . .               | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| <i>Mirae Securities</i> . . . . .       | 5                                                            | 619,100                                  | 0.16%                                                  | 0.01%                                                        | 0.14%                                                      | 0.01%                                                        |
| <i>Mirae Asset</i> . . . . .            | 25                                                           | 3,095,600                                | 0.81%                                                  | 0.04%                                                        | 0.70%                                                      | 0.04%                                                        |
| Perseverance Asset Management . . . . . | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| HGI . . . . .                           | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| Millennium . . . . .                    | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| Jane Street . . . . .                   | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| WT Asset Management . . . . .           | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| MY.Alpha . . . . .                      | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| Polymer . . . . .                       | 30                                                           | 3,714,700                                | 0.97%                                                  | 0.05%                                                        | 0.84%                                                      | 0.05%                                                        |
| <b>Total</b> . . . . .                  | <b>1,500</b>                                                 | <b>185,736,900</b>                       | <b>48.44%</b>                                          | <b>2.41%</b>                                                 | <b>42.12%</b>                                              | <b>2.39%</b>                                                 |

*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 for illustrative purpose. The actual number of Offer Shares to be subscribed may change due to the exchange rate to be used as prescribed in the relevant Cornerstone Investment Agreements.
- (2) Subject to rounding down to the nearest whole board lot of 100 Offer Shares.

### CLOSING CONDITIONS

The obligation of the Cornerstone Investors to subscribe for the Offer Shares under the Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

- (a) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the Underwriting Agreements having been terminated;
- (b) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters);
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (d) the CSRC having accepted the CSRC Filings and published the filing results in respect of the CSRC Filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;



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## CORNERSTONE INVESTORS

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- (e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (f) the respective representations, warranties, acknowledgements, undertakings and confirmations of the Cornerstone Investors under their respective Cornerstone Investment Agreements are accurate and true in all material respects and not misleading and that there is no material breach of the Cornerstone Investment Agreements on the part of the Cornerstone Investors.

### RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period commencing from (and inclusive of) the Listing Date and ending on (and inclusive of) the date falling six (6) months after the Listing Date (the “**Lock-up Period**”) dispose of any of the Offer Shares it has subscribed for or any interest in any company or entity holding any of such Offer Shares pursuant to the relevant Cornerstone Investment Agreements, save for in certain limited circumstances, such as transfers to any of its wholly owned subsidiaries or wholly controlled entities who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

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## UNDERWRITING

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### HONG KONG UNDERWRITERS

CLSA Limited  
Goldman Sachs (Asia) L.L.C.  
China International Capital Corporation Hong Kong Securities Limited  
The Hongkong and Shanghai Banking Corporation Limited  
GF Securities (Hong Kong) Brokerage Limited  
Guosen Securities (HK) Capital Company Limited

### UNDERWRITING AGREEMENTS

#### Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 38,347,300 Hong Kong Offer Shares (subject to adjustment) for subscription by the public in Hong Kong at the Offer Price on and subject to the terms and conditions of this prospectus.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) as mentioned in this prospectus and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions of the Hong Kong Offer Shares now being offered but 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 and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

#### *Grounds for Termination*

The Joint Sponsors and Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (a) there develops, occurs, exists or comes into force:
  - (i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
  - (ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or development involving a 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
  - (iii) any event or series of local, national, regional or international 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,

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## UNDERWRITING

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explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

- (iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or
- (v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (vi) the issue or requirement to issue by our Company of a supplement or amendment to this prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (vii) the commencement by any Authority (as defined in the Hong Kong Underwriting Agreement) or other regulatory or political body or organization in any Relevant Jurisdiction (including, in particular, the CSRC and its local branches and representative offices) of any public action or investigation against a member of our Group or a Director or a senior management of our Company as named in this prospectus or announcing an intention to take any such action; or
- (viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of our Group 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
- (ix) any valid demand by creditors for payment or repayment of indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (x) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules or any other applicable Laws (as defined in the Hong Kong Underwriting Agreement); or
- (xi) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of our Group or any Controlling Shareholder or any Director or senior management members as named in this prospectus; or
- (xii) any contravention by any member of our Group or any Director or any member of the senior management of our Company named in this prospectus of the Listing Rules or applicable Laws; or
- (xiii) any change or prospective change in, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus,

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## UNDERWRITING

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which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters): (1) 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 our Company or our Group as a whole; or (2) 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 (3) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or (4) 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; or

- (b) there has come to the notice of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:
- (i) 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 issued or used by or for or on behalf of the Company 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 deceptive 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
  - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission or misstatement in any Global Offering Document (including any supplement or amendment thereto); or
  - (iii) 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, or when repeated, by our Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
  - (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Party (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
  - (v) any breach of any of the obligations or undertakings imposed upon our Company or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or
  - (vi) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
  - (vii) the chairlady of our Board, any Director or any member of senior management of our Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or

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## UNDERWRITING

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- (viii) any Director or any member of senior management of our 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
- (ix) our 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
- (x) the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (xi) any person (other than the Joint Sponsors) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (xii) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xiii) any person (other than the Joint Sponsors and the Overall Coordinators) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement) or to the issue of any of the Offering Documents; or
- (xiv) an order or petition is presented for the winding-up or liquidation of our Company, or our Company 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 our Company or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or anything analogous thereto occurs in respect of our Company; or
- (xv) (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 Overall Coordinators, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC Filings 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 with the CSRC Rules or any other applicable Laws; or
- (xvi) 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.

### **International Underwriting Agreement**

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement on or about the Price Determination Date with, among others, the Joint Sponsors, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters, subject to certain conditions set out therein, will agree severally to purchase, or procure subscribers or purchasers for, the International Offer Shares being offered pursuant to the International Offering. Please see the paragraph headed “Structure of the Global Offering—The International Offering” in this prospectus.

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## UNDERWRITING

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### LOCK-UP UNDERTAKINGS

#### Undertakings by our Company under the Listing Rules

In accordance with Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that within six months from the Listing Date, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) shall be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury (whether or not such issue of Shares or securities of the Company, or sale or transfer of treasury shares of the Company will be completed within six months from the Listing Date), except pursuant to the Global Offering or in certain circumstances prescribed by Rules 10.08 (1) to (5) of the Listing Rules.

#### Undertakings by our Controlling Shareholders under the Listing Rules

In accordance with Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to us and the Stock Exchange that, except pursuant to the Global Offering and the exercise of the Over-allotment Option, it/he/she shall not, and shall procure that the registered holder(s) of the Shares shall not:

- (a) in the period commencing on the date of the prospectus and ending on the date which is six months from the Listing Date (the “**First Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities of the Company in respect of which it/he/she is shown in the prospectus to be the beneficial owners; or
- (b) in the period of six months commencing on the date on which the First Six-month Period expires (the “**Second Six-Month Period**”), dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he/she would cease to be a controlling shareholder of our Company.

In addition, in accordance with Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to us and the Stock Exchange that, during the First Six-Month Period and the Second Six-Month Period, it/he/she will:

- (i) when it/he/she pledges or charges any Shares or securities of our Company beneficially owned by it/he/she in favor 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(2) of the Listing Rules, immediately inform us of such pledge or charge together with the number of Shares or securities of our Company so pledged or charged; and
- (ii) when it/he/she receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares or securities of our Company will be disposed of, immediately inform us in writing of such indications.

We will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraphs (i) and (ii) above by any of our Controlling Shareholders and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules as soon as possible.

#### Undertaking by our Company pursuant to the Hong Kong Underwriting Agreement

Our Company undertakes to each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option) or with the consent of the Stock Exchange, at any time after the First Six-Month Period, it will not without the prior written consent of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Joint Sponsors and unless in compliance with the requirements of the Listing Rules:



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## UNDERWRITING

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- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, right or contract to subscribe for, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any Shares or other securities of the Company or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or
- (c) enter into any transaction with the same economic effect as any transaction described in (a) and (b) above; or
- (d) offer to or contract to or agree to announce, or publicly disclose that our Company will or may enter into any transaction described in (a), (b) or (c) above,

in each case, whether any of the foregoing transactions is to be settled by delivery of any Shares or other securities of our Company, or, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six-Month Period). Our Company further agrees that, in the event our Company is allowed to enter into any of the transactions described in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the Second Six-Month Period, it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any Shares or other securities of our Company.

### COMMISSIONS AND EXPENSES

Our Company will pay an underwriting commission of 0.3% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-allotment Option (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay an additional incentive fee of up to 0.3% of the Offer Price in respect of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-allotment Option) (the “**Discretionary Fees**”). The ratio of Fixed Fees and Discretionary Fees payable is therefore 50%: 50% (on the basis that the Discretionary Fees will be fully paid). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters. The Joint Sponsors are each entitled to a sponsor fee in the amount of US\$500,000.

### HONG KONG UNDERWRITERS’ INTERESTS IN OUR COMPANY

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters has any shareholding interest in any member of our Group or any right or option (whether legally enforceable or not) to purchase or subscribe for or to nominate persons to purchase or subscribe for securities in any member of our 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 obligations under the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement.

### JOINT SPONSORS’ INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

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## UNDERWRITING

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### ACTIVITIES BY SYNDICATE MEMBERS

The Hong Kong Underwriters and the International Underwriters (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group’s loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. Activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the 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 H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the relevant rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of the 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 (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares) whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (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, derivative and other services to our Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

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## STRUCTURE OF THE GLOBAL OFFERING

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### THE HONG KONG PUBLIC OFFERING

#### Number of Shares Initially Offered

Our Company is initially offering 38,347,300 H Shares at the Offer Price under the Hong Kong Public Offering for subscription by the public in Hong Kong, representing approximately 10% of the 383,472,800 H Shares initially available under the Global Offering, and approximately 0.50% of our total issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. In Hong Kong, individual retail investors are expected to apply for the Hong Kong Offer Shares through the Hong Kong Public Offering and individual retail investors, including individual investors in Hong Kong applying through banks and other institutions, seeking International Offer Shares will not be allotted International Offer Shares in the International Offering. The Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors may require any investor who has been offered H Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators and the Joint Sponsors so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application under the International Offering.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the paragraph headed “Conditions of the Global Offering” in this section.

#### Allocation

For allocation purposes only, the 38,347,300 H Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account any reallocation in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Offering) will be divided equally (with any odd lots being allocated to pool A) into two pools: Pool A and Pool B, both of which are available on an equitable basis to successful applicants. All valid applications that have been received for the Hong Kong Offer Shares with an aggregate subscription price (excluding brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy) of HK\$5 million or below will fall into Pool A and all valid applications that have been received for the Hong Kong Offer Shares with an aggregate subscription price (excluding brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) of over HK\$5 million and up to the total value of Pool B, will fall into Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If the Hong Kong Offer Shares in one pool (but not both pools) are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools and only apply for Hong Kong Offer Shares in either Pool A or Pool B. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 19,173,600 Hong Kong Offer Shares (approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected. When there is over-subscription, allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering, both in relation to Pool A and Pool B, will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation in each pool may vary, depending on the number of Hong Kong Offer Shares validly applied for by each applicant. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would 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.

#### Reallocation

Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed and the International Offer Shares are fully subscribed or oversubscribed,

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## STRUCTURE OF THE GLOBAL OFFERING

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the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

The additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. Where the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, the Overall Coordinators have the authority to reallocate International Offer Shares originally in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that in accordance with Chapter 4.14 of the Listing Guide, the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation will increase by up to 57,520,900 Shares (representing approximately 15% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option)). Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows 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.

### Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application under the International Offering will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK\$63.28 per H Share in addition to any brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined, is less than the maximum Offer Price of HK\$63.28 per Offer Share, appropriate refund payments will be made to successful applications (subject to application channels), without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

## THE INTERNATIONAL OFFERING

### Number of International Offer Shares Offered

The number of International Offer Shares to be initially offered by us for subscription under the International Offering will consist of an initial offering of 345,125,500 Offer Shares, representing approximately 90% of the Offer Shares under the Global Offering and approximately 4.48% of our total issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

### Allocation

Pursuant to the International Offering, the International Underwriters will conditionally place the International Offer Shares to institutional and professional investors and other investors expected to have a sizable demand for the H Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of the International Offer Shares pursuant to the International Offering will be determined by the Overall Coordinators and will be based on a number of factors including the level and timing of demand, 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, and/or hold or sell Offer Shares after the Listing. Such allocation may be made to professional, institutional and corporate investors and is intended to result in a distribution of our Offer Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

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## STRUCTURE OF THE GLOBAL OFFERING

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### Reallocation

The total number of International Offer Shares to be transferred pursuant to the International Offering may change as a result of the reallocation arrangement described in the paragraph headed “—The Hong Kong Public Offering—Reallocation” in this section, exercise of the Over-allotment Option in whole or in part and/or reallocation of all or any unsubscribed Hong Kong Offer Shares to the International Offering.

### Over-allotment Option

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators at their sole and absolute discretion on behalf of the International Underwriters for up to 30 days after the last day for lodging applications under the Hong Kong Public Offering. Pursuant to the Over-allotment Option, the Overall Coordinators will have the right to require our Company to issue and allot, at the Offer Price, up to an aggregate of additional 57,520,900 H Shares representing in aggregate approximately 15% of the number of the Offer Shares initially available under the Global Offering at the Offer Price to cover over-allocations in the International Offering, if any. An announcement will be made in the event that the Over-allotment Option is exercised.

If the Over-allotment Option is exercised in full, the additional International Offer Shares to be issued pursuant thereto will represent approximately 0.74% of the issued share capital of our Company immediately after the completion of the Global Offering.

### Stabilization

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the Underwriters may bid for, or purchase, the new securities in the secondary market, during a specified period of time, to curb and, if possible, prevent any decline in the market price of the securities below the Offer Price. In Hong Kong and certain other jurisdictions, an activity aimed at reducing the market price is prohibited and the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the last day for the lodging of applications under the Hong Kong Public Offering. Any market purchases of H Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of H Shares that may be over-allocated will not exceed the number of H Shares that may be issued and/or sold under the Over-allotment Option, namely 57,520,900 H Shares, which is approximately 15% of the Offer Shares initially available under the Global Offering.

Stabilizing action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization and stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) under SFO includes: (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares; (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares; (v) selling or agreeing to sell any H Shares in order to liquidate any position held as a result of those purchases; and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v).



## STRUCTURE OF THE GLOBAL OFFERING

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty regarding the extent to which and the time period for which the Stabilizing Manager, or any person acting for it, will maintain such a position;
- liquidation of any such long position by the Stabilizing Manager may have an adverse impact on the market price of the H Shares;
- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period which will begin on the Listing Date following announcement of the Offer Price, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price either during or after the stabilizing period by the taking of any stabilizing action; and
- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

Our Company will procure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

### Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager or any person acting for it may cover such over-allocations by exercising the Over-allotment Option in full or in part, making purchases in the secondary market at prices that do not exceed the Offer Price or by any combination of these means.

### PRICING OF THE GLOBAL OFFERING

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be not later than 12:00 noon on Tuesday, July 7, 2026, by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

We will determine the Offer Price by reference to, among other factors, the closing price of 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 [www.szse.cn/English/siteMarketData/siteMarketDatas/lookup/index.html?code=002475](http://www.szse.cn/English/siteMarketData/siteMarketDatas/lookup/index.html?code=002475)), and the Offer Price will not be more than HK\$63.28. The historical prices of our A Shares and trading volume on Shenzhen Stock Exchange are set out below.

| Period                                                     | High  | Low   | ADTV <sup>(1)</sup> |
|------------------------------------------------------------|-------|-------|---------------------|
|                                                            | (RMB) | (RMB) | (A shares)          |
| Year ended December 31, 2023 . . . . .                     | 34.82 | 25.15 | 59,914,943          |
| Year ended December 31, 2024 . . . . .                     | 46.33 | 25.49 | 79,348,019          |
| Year ended December 31, 2025 . . . . .                     | 70.20 | 28.68 | 126,637,379         |
| Year of 2026 (up to the Latest Practicable Date) . . . . . | 80.15 | 46.28 | 171,406,633         |

Note:

- <sup>(1)</sup> Average daily trading volume (“ADTV”) represents daily average number of our A Shares traded over the relevant period rounded to the nearest share.



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## STRUCTURE OF THE GLOBAL OFFERING

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The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered under the Global Offering and/or the maximum Offer Price as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Company and the Stock Exchange at [www.luxshare-ict.com](http://www.luxshare-ict.com) and [www.hkexnews.hk](http://www.hkexnews.hk), respectively, notices of the reduction in the number of Offer Shares and/or the maximum Offer Price, the cancelation and relaunch of the Global Offering at the revised number of Offer Shares and/or the maximum Offer Price.

Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental or new prospectus updating investors of the reduction in the number of Offer Shares and/or the maximum Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus shall include at least the following: updated (a) maximum Offer Price and market capitalization; (b) listing timetable and underwriting obligations; (c) price/earnings multiple (if applicable), unaudited pro forma and adjusted net tangible assets; and (d) use of proceeds and working capital adequacy confirmation based on revised estimated proceeds. In the event of a reduction in the number of Offer Shares, the Overall Coordinators may also at their discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares offered under the Hong Kong Public Offering shall not be less than 10% of the Offer Shares available under the Global Offering (without taking into account any additional H Shares that may be issued pursuant to the Over-allotment Option). In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced and the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set above the maximum Offer Price as stated in this prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so announced and any such supplemental prospectus or new prospectus so published, the number of Offer Shares will not be reduced.

If there is any change to the offer size due to change in the number of Offer Shares offered in the Global Offering (other than pursuant to the exercise of the Over-allotment Option and/or the reallocation mechanism as disclosed in this prospectus), or if the Offer Price falls outside the Maximum Offer Price as stated in this prospectus, or if the Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offering on FINI and issue a supplemental prospectus or a new prospectus, and giving investors at least three business days to consider the new information.

The final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, the basis of allocations of the Hong Kong Offer Shares and the results of applications in the Hong Kong Public Offering are expected to be announced on Wednesday, July 8, 2026 through a variety of channels described in the paragraph headed “How to Apply for Hong Kong Offer Shares—B. Publication of Results” in this prospectus.

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## STRUCTURE OF THE GLOBAL OFFERING

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### CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on, *inter alia*:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option) as mentioned in this prospectus on the Main Board of the Stock Exchange and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;
- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date;
- our Company having submitted to HKSCC all requisite documents to enable the Offer Shares to be admitted to trade on the Stock Exchange; and
- the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional (unless and to the extent such conditions are validly waived on or before such dates and times) and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

If for any reason, the Offer Price is not agreed by 12:00 noon on Tuesday, July 7, 2026 between us and the Overall Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Hong Kong Public Offering to be published by us on the websites of our Company at [www.luxshare-ict.com](http://www.luxshare-ict.com), and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), respectively on the next day following such lapse. In such event, 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” in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with our Company’s receiving banker(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

H Share certificates for the Offer Shares are expected to be issued on Wednesday, July 8, 2026 but will only become valid evidence of title at 8:00 a.m. on the date of commencement of the dealings in our H Shares, which is expected to be on Thursday, July 9, 2026, provided that (i) the Global Offering has become unconditional in all respects at or before that time and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade H Shares prior to the receipt of H Share certificates or prior to the H Share certificates bearing valid evidence of title do so entirely at their own risk.

### DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. (Hong Kong time) on Thursday, July 9, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. (Hong Kong time) on Thursday, July 9, 2026. The H Shares will be traded in board lots of 100 each and the stock code will be 2475.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARE

#### FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application. We will not provide any printed copies of this prospectus for use by the public.

This prospectus is available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “HKEXnews > New Listings > New Listing Information” section, and our website at [www.luxshare-ict.com](http://www.luxshare-ict.com).

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

#### A. APPLICATION FOR HONG KONG OFFER SHARES

##### 1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- are outside the United States or a person described in paragraph (h)(3) of Rule 902 of Regulation S; and
- have a Hong Kong address (*for the **HK eIPO White Form** service only*).

Unless permitted by the Listing Rules and the Guide for New Listing Applicants issued by the Stock Exchange, or any relevant waivers that have been granted by the Stock Exchange, 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.

##### 2. Application Channels

**The Hong Kong Public Offering period will begin at 9:00 a.m. on Tuesday, June 30, 2026 and end at 12:00 noon on Monday, July 6, 2026 (Hong Kong time).**

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

| Application Channel                  | Platform                                         | Target Investors                                                                                                                                                  | Application Time                                                                                                                                                                                                                |
|--------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HK eIPO White Form service . . . . . | <a href="http://www.hkeipo.hk">www.hkeipo.hk</a> | Investors 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 Tuesday, June 30, 2026 to 11:30 a.m. on Monday, July 6, 2026 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Monday, July 6, 2026 (Hong Kong time). |

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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| Application Channel              | Platform                                                                                                                                                                                          | Target Investors                                                                                                                                                                                                                                                                    | Application Time                                                                                                                                                      |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>HKSCC EIPO channel.</b> . . . | Your <b>broker</b> or <b>custodian</b> who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instruction. | Investors 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 <b>broker</b> or <b>custodian</b> for the earliest and latest time for giving such instructions, as this may vary by <b>broker</b> or <b>custodian</b> . |

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### 3. Information Required to Apply

You must provide the following information with your application:

#### For Individual or Joint Applicants

- Full name(s)<sup>2</sup> as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

#### For Corporate Applicants

- Full name(s)<sup>2</sup> as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

#### Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice. Such is subject to change, if the Company's Articles of Association and applicable company law prescribe for a lower cap.
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 agent, 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.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

### 4. Permitted Number of Hong Kong Offer Shares for Application

**Board lot size** : 100 Offer 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\$63.28 per Offer Share.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your **broker** or **custodian** with respect to the Hong Kong Offer Shares you applied for.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

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

| No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable <sup>(2)</sup> on application/successful allotment |
|-------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------|
|                                           | HK\$                                                                      |                                           | HK\$                                                                      |                                           | HK\$                                                                      |                                           | HK\$                                                                      |
| 100                                       | 6,391.82                                                                  | 3,500                                     | 223,713.62                                                                | 70,000                                    | 4,474,272.51                                                              | 3,000,000                                 | 191,754,536.40                                                            |
| 200                                       | 12,783.64                                                                 | 4,000                                     | 255,672.71                                                                | 80,000                                    | 5,113,454.30                                                              | 4,000,000                                 | 255,672,715.20                                                            |
| 300                                       | 19,175.45                                                                 | 4,500                                     | 287,631.81                                                                | 90,000                                    | 5,752,636.09                                                              | 5,000,000                                 | 319,590,894.00                                                            |
| 400                                       | 25,567.27                                                                 | 5,000                                     | 319,590.89                                                                | 100,000                                   | 6,391,817.88                                                              | 6,000,000                                 | 383,509,072.80                                                            |
| 500                                       | 31,959.09                                                                 | 6,000                                     | 383,509.07                                                                | 200,000                                   | 12,783,635.75                                                             | 7,000,000                                 | 447,427,251.60                                                            |
| 600                                       | 38,350.92                                                                 | 7,000                                     | 447,427.25                                                                | 300,000                                   | 19,175,453.65                                                             | 8,000,000                                 | 511,345,430.40                                                            |
| 700                                       | 44,742.73                                                                 | 8,000                                     | 511,345.43                                                                | 400,000                                   | 25,567,271.52                                                             | 9,000,000                                 | 575,263,609.20                                                            |
| 800                                       | 51,134.55                                                                 | 9,000                                     | 575,263.61                                                                | 500,000                                   | 31,959,089.40                                                             | 10,000,000                                | 639,181,788.00                                                            |
| 900                                       | 57,526.37                                                                 | 10,000                                    | 639,181.79                                                                | 600,000                                   | 38,350,907.28                                                             | 15,000,000                                | 958,772,682.00                                                            |
| 1,000                                     | 63,918.18                                                                 | 20,000                                    | 1,278,363.58                                                              | 700,000                                   | 44,742,725.15                                                             | 19,173,600 <sup>(1)</sup>                 | 1,225,541,593.05                                                          |
| 1,500                                     | 95,877.26                                                                 | 30,000                                    | 1,917,545.37                                                              | 800,000                                   | 51,134,543.05                                                             |                                           |                                                                           |
| 2,000                                     | 127,836.36                                                                | 40,000                                    | 2,556,727.15                                                              | 900,000                                   | 57,526,360.92                                                             |                                           |                                                                           |
| 2,500                                     | 159,795.45                                                                | 50,000                                    | 3,195,908.95                                                              | 1,000,000                                 | 63,918,178.80                                                             |                                           |                                                                           |
| 3,000                                     | 191,754.54                                                                | 60,000                                    | 3,835,090.73                                                              | 2,000,000                                 | 127,836,357.60                                                            |                                           |                                                                           |

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



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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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

### 5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “—A. 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 **HK eIPO White Form** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practice Note**”) issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

### 6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) **undertake** to execute all relevant documents and instruct and authorise 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 **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;
- (iii) (if you are applying through the **HKSCC EIPO** channel) **agree** to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) **confirm** that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) **confirm** that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) **agree** that the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or the Company’s respective directors, officers,

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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employees, partners, agents, advisors and any other parties involved in the Global Offering (the “**Relevant Persons**”), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

- (vii) **agree** to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “—G. Personal Data—3. Purposes” and “4. Transfer of personal data” in this section;
- (viii) **agree** (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) **agree** that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “—B. Publication of Results” in this section;
- (x) **confirm** that you are aware of the situations specified in the paragraph headed “—C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (xi) **agree** that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) **agree** to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither 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) **confirm** that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) **agree** to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) **declare** and **represent** that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) **warrant** that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form Service Provider** and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

### B. PUBLICATION OF RESULTS

#### Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

| Platform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Date/Time                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applying through the <b>HK eIPO White Form</b> service or <b>HKSCC EIPO</b> channel:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                               |
| Website . . . . . From the “Allotment Results” page at <a href="http://www.hkeipo.hk/IPOResult">www.hkeipo.hk/IPOResult</a> (or <a href="http://www.tricor.com.hk/ipo/result">www.tricor.com.hk/ipo/result</a> ) with a “search by ID” function.<br><br>The full list of (i) wholly or partially successful applicants using the <b>HK eIPO White Form</b> service and <b>HKSCC EIPO</b> channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at <a href="http://www.hkeipo.hk/IPOResult">www.hkeipo.hk/IPOResult</a> or <a href="http://www.tricor.com.hk/ipo/result">www.tricor.com.hk/ipo/result</a> .<br><br>The Stock Exchange’s website at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> and our website at <a href="http://www.luxshare-ict.com">www.luxshare-ict.com</a> which will provide links to the above mentioned websites of the H Share Registrar. | 24 hours, from 11:00 p.m. on Wednesday, July 8, 2026 to 12:00 midnight on Tuesday, July 14, 2026 (Hong Kong time)<br><br>No later than 11:00 p.m. on Wednesday, July 8, 2026 (Hong Kong time) |
| Telephone . . . . . +852 3691 8488—the allocation results telephone enquiry line provided by the H Share Registrar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | between 9:00 a.m. and 6:00 p.m., from Thursday, July 9, 2026 to Tuesday, July 14, 2026 on a Business Day (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 Tuesday, July 7, 2026 (Hong Kong time)

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, July 7, 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](http://www.hkexnews.hk) and our website at [www.luxshare-ict.com](http://www.luxshare-ict.com) by no later than 11:00 p.m. on Wednesday, July 8, 2026 (Hong Kong time).

### C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

#### 1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 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 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 Coordinators 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 Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank will collect the portion of these funds required to settle each HKSCC Participant’s actual Hong Kong Offer Share allotment from their Designated Bank.

**There is a risk of money settlement failure.** In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

## D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

H Share certificates will only become valid evidence of title at 8:00 a.m. on Thursday, July 9, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

|                                                                                | HK eIPO White Form service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | HKSCC EIPO channel                                                                                                                                                                                     |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Despatch/collection of H Share certificate<sup>1</sup></b>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                        |
| <b>For application of 1,000,000 or more Hong Kong Offer Shares . . . . .</b>   | <p>Collection in person from the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.</p> <p><b>Time:</b> from 9:00 a.m. to 1:00 p.m. on Thursday, July 9, 2026 (Hong Kong time)</p> <p>If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation’s chop.</p> <p>Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.</p> <p>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.</p> | <p>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</p> <p>No action by you is required</p> |
| <b>For application of less than 1,000,000 Hong Kong Offer Shares . . . . .</b> | <p>Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post on Wednesday, July 8, 2026 at your own risk.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                        |
| <b>Refund mechanism for surplus application monies paid by you</b>             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                        |
| <b>Date . . . . .</b>                                                          | Thursday, July 9, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Subject to the arrangement between you and your <b>broker</b> or <b>custodian</b>                                                                                                                      |
| <b>Responsible party . . . . .</b>                                             | H Share Registrar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Your <b>broker</b> or <b>custodian</b>                                                                                                                                                                 |
| <b>Application monies paid through single bank account . . . . .</b>           | <b>HK eIPO White Form</b> e-Auto Refund payment instructions to your designated bank account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Your <b>broker</b> or <b>custodian</b> will arrange refund to your designated bank account subject to the arrangement between you and it                                                               |

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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|                                                                  | HK eIPO White Form service                                                                                                         | HKSCC EIPO channel |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Application monies paid through multiple bank accounts . . . . . | Refund check(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk. |                    |

1. Except in the event of any Severe Weather Signals (defined below) in force in Hong Kong in the morning on Wednesday, July 8, 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 see “—E. Severe Weather Arrangements” in this section.

### E. SEVERE WEATHER ARRANGEMENTS

#### The Opening and Closing of the Application Lists

The application lists will not open or close on Monday, July 6, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning; and/or
- Extreme Conditions,

(collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, July 6, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next Business Day which does not have **Severe Weather Signals** in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.luxshare-ict.com](http://www.luxshare-ict.com) of the revised timetable.

If a **Severe Weather Signal** is hoisted on Wednesday, July 8, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Thursday, July 9, 2026.

If a **Severe Weather Signal** is hoisted on Wednesday, July 8, 2026, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the **Severe Weather Signal** is lowered or canceled (e.g. in the afternoon of Wednesday, July 8, 2026 or on Thursday, July 9, 2026).

If a **Severe Weather Signal** is hoisted on Thursday, July 9, 2026, for application of 1,000,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar’s office after the **Severe Weather Signal** is lowered or canceled (e.g. in the afternoon of Thursday, July 9, 2026 or on Friday, July 10, 2026).

**Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.**

### F. ADMISSION OF THE 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 HKSCC Operational Procedures in effect from time to time.



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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

### G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

#### 1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

#### 2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

#### 3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- 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 Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

### **4. Transfer of personal data**

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisors, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or **brokers** etc.

### **5. Retention of personal data**

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

### **6. Access to and correction of personal data**

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

*The following is the text of a report set out on pages I-1 to I-134, received from the Company's reporting accountants, BDO 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 Joint Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.*



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**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION  
TO THE DIRECTORS OF LUXSHARE PRECISION INDUSTRY CO., LTD  
CITIC SECURITIES (HONG KONG) LIMITED, GOLDMAN SACHS (ASIA) L.L.C. AND  
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED**

**INTRODUCTION**

We report on the historical financial information of Luxshare Precision Industry Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-134, which comprises the consolidated statements of financial position as at 31 December 2023, 31 December 2024 and 31 December 2025, and the statements of financial position of the Company as at 31 December 2023, 31 December 2024 and 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the periods then ended (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-134 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 June 2026 (the "**Prospectus**") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

**DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION**

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**REPORTING ACCOUNTANTS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial

Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**OPINION**

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Company's financial position as at 31 December 2023, 31 December 2024 and 31 December 2025, the Group's financial position as at 31 December 2023, 31 December 2024 and 31 December 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance*****Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

***Dividends***

We refer to Note 50 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

**BDO Limited**

*Certified Public Accountants*

CHAN WING FAI

Practicing Certificate no. P05443

Hong Kong

30 June 2026

**I HISTORICAL FINANCIAL INFORMATION OF THE GROUP****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, were audited by BDO Limited in accordance with International Standards on Auditing issued by the 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 AND OTHER COMPREHENSIVE INCOME

|                                                                                                                 | Notes | Year ended 31 December |               |               |
|-----------------------------------------------------------------------------------------------------------------|-------|------------------------|---------------|---------------|
|                                                                                                                 |       | 2023                   | 2024          | 2025          |
|                                                                                                                 |       | RMB'000                | RMB'000       | RMB'000       |
| Revenue . . . . .                                                                                               | 6     | 231,905,460            | 268,794,738   | 332,344,443   |
| Cost of sales . . . . .                                                                                         | 7     | (206,167,687)          | (241,725,138) | (293,900,603) |
| <b>Gross profit</b> . . . . .                                                                                   |       | 25,737,773             | 27,069,600    | 38,443,840    |
| Other income . . . . .                                                                                          | 9     | 912,857                | 1,046,027     | 1,007,188     |
| Other (losses)/gains, net . . . . .                                                                             | 10    | (221,658)              | 1,847,996     | 1,679,190     |
| Impairment losses under expected credit loss model, net of reversal . . . . .                                   | 11    | 23,274                 | (10,088)      | (54,482)      |
| Selling expenses . . . . .                                                                                      | 7     | (889,024)              | (1,059,677)   | (2,333,997)   |
| General and administrative expenses . . . . .                                                                   | 7     | (6,162,485)            | (7,052,941)   | (11,261,856)  |
| Research and development expenses . . . . .                                                                     | 7     | (8,188,768)            | (8,555,957)   | (11,428,041)  |
| <b>Operating profit</b> . . . . .                                                                               |       | 11,211,969             | 13,284,960    | 16,051,842    |
| Finance income . . . . .                                                                                        | 12    | 1,005,581              | 968,280       | 997,716       |
| Finance cost . . . . .                                                                                          | 12    | (1,376,870)            | (1,462,653)   | (1,765,111)   |
| <b>Finance costs – net</b> . . . . .                                                                            | 12    | (371,289)              | (494,373)     | (767,395)     |
| Share of profits of associates . . . . .                                                                        |       | 2,028,502              | 3,301,007     | 4,251,241     |
| Share of profits of joint ventures . . . . .                                                                    |       | 15,860                 | 17,145        | 14,170        |
| <b>Profit before income tax</b> . . . . .                                                                       |       | 12,885,042             | 16,108,739    | 19,549,858    |
| Income tax expense . . . . .                                                                                    | 13    | (641,829)              | (1,529,695)   | (1,379,621)   |
| <b>Profit for the year</b> . . . . .                                                                            |       | 12,243,213             | 14,579,044    | 18,170,237    |
| <b>Other comprehensive income for the year</b>                                                                  |       |                        |               |               |
| <i>Items that may be reclassified subsequently to profit or loss, net of tax:</i>                               |       |                        |               |               |
| Change in foreign currency translation of the financial statements of the subsidiaries of the Company . . . . . |       | (348,884)              | (685,809)     | (911,890)     |
| Share of other comprehensive income of investment in associates . . . . .                                       |       | —                      | —             | (4,679)       |
| Gain/(loss) of cash flow hedge . . . . .                                                                        |       | —                      | —             | 42,210        |
| <i>Items that may not be reclassified subsequently to profit or loss, net of tax:</i>                           |       |                        |               |               |
| Fair value changes of financial assets at fair value through other comprehensive income . . . . .               |       | (142,657)              | (71,081)      | 89,766        |
| <b>Other comprehensive income/(loss) for the year, net of tax</b> . . . . .                                     |       | (491,541)              | (756,890)     | (784,593)     |
| <b>Total comprehensive income for the year</b> . . . . .                                                        |       | 11,751,672             | 13,822,154    | 17,385,644    |
| <b>Profit for the year attributable to:</b>                                                                     |       |                        |               |               |
| Owners of the Company . . . . .                                                                                 |       | 10,952,657             | 13,365,651    | 16,599,770    |
| Non-controlling interests . . . . .                                                                             |       | 1,290,556              | 1,213,393     | 1,570,467     |
|                                                                                                                 |       | 12,243,213             | 14,579,044    | 18,170,237    |



|                                                                                                                       | <i>Notes</i> | Year ended 31 December |                   |                   |
|-----------------------------------------------------------------------------------------------------------------------|--------------|------------------------|-------------------|-------------------|
|                                                                                                                       |              | 2023                   | 2024              | 2025              |
|                                                                                                                       |              | <i>RMB'000</i>         | <i>RMB'000</i>    | <i>RMB'000</i>    |
| <b>Total comprehensive income for the year attributable to:</b>                                                       |              |                        |                   |                   |
| Owners of the Company . . . . .                                                                                       |              | 10,487,744             | 12,551,402        | 15,753,575        |
| Non-controlling interests . . . . .                                                                                   |              | 1,263,928              | 1,270,752         | 1,632,069         |
| <b>Profit and total comprehensive income for the year attributable to the equity holders of the Company . . . . .</b> |              | <b>11,751,672</b>      | <b>13,822,154</b> | <b>17,385,644</b> |
| <b>Earnings per share attributable to owners of the Company (<i>in RMB</i>)</b>                                       |              |                        |                   |                   |
| Basic ( <i>RMB per share</i> ) . . . . .                                                                              | 14           | 1.54                   | 1.86              | 2.29              |
| Diluted ( <i>RMB per share</i> ) . . . . .                                                                            | 14           | 1.52                   | 1.85              | 2.25              |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|                                                                                         | Notes | As at 31 December  |                    |                    |
|-----------------------------------------------------------------------------------------|-------|--------------------|--------------------|--------------------|
|                                                                                         |       | 2023               | 2024               | 2025               |
|                                                                                         |       | RMB'000            | RMB'000            | RMB'000            |
| <b>ASSETS</b>                                                                           |       |                    |                    |                    |
| <b>Non-current assets</b>                                                               |       |                    |                    |                    |
| Property, plant and equipment (“PPE”) . . . .                                           | 18    | 47,803,519         | 54,783,290         | 71,608,996         |
| Investment properties . . . . .                                                         | 19    | 23,354             | 35,665             | 98,488             |
| Intangible assets . . . . .                                                             | 22    | 450,310            | 430,451            | 1,020,286          |
| Right-of-use assets . . . . .                                                           | 20    | 2,435,194          | 2,816,641          | 5,278,767          |
| Goodwill . . . . .                                                                      | 21    | 1,729,243          | 1,885,827          | 2,239,173          |
| Deferred tax assets . . . . .                                                           | 23    | 872,944            | 817,693            | 2,533,431          |
| Prepayments and other receivables. . . . .                                              | 30    | 1,568,638          | 1,695,904          | 2,959,476          |
| Investment in associates . . . . .                                                      | 16    | 4,100,064          | 7,343,629          | 11,875,669         |
| Investment in joint ventures . . . . .                                                  | 17    | 132,878            | 144,667            | 134,028            |
| Financial assets at fair value through other<br>comprehensive income (“FVTOCI”) . . . . | 28    | 249,122            | 112,765            | 219,462            |
| Financial assets at fair value through profit<br>or loss (“FVTPL”) . . . . .            | 27    | 35,700             | 39,312             | 37,637             |
| Term deposits . . . . .                                                                 | 33    | 8,363,006          | 15,176,496         | 12,515,287         |
| Total non-current assets . . . . .                                                      |       | 67,763,972         | 85,282,340         | 110,520,700        |
| <b>Current assets</b>                                                                   |       |                    |                    |                    |
| Inventories . . . . .                                                                   | 24    | 29,407,482         | 31,487,096         | 42,010,231         |
| Contract fulfilment costs . . . . .                                                     | 25    | 350,449            | 215,580            | 322,551            |
| Income tax recoverable . . . . .                                                        |       | 61,579             | 66,691             | 234,949            |
| Trade and note receivables . . . . .                                                    | 31    | 23,765,555         | 32,910,872         | 48,960,683         |
| Contract assets . . . . .                                                               |       | —                  | —                  | 1,138,331          |
| Prepayments and other receivables. . . . .                                              | 30    | 2,957,840          | 3,790,796          | 6,914,399          |
| Financial assets at fair value through other<br>comprehensive income. . . . .           | 28    | 587,585            | 1,106,284          | 1,263,240          |
| Financial assets at fair value through profit<br>or loss . . . . .                      | 27    | 1,720,764          | 1,403,111          | 2,842,065          |
| Derivative Financial Instruments . . . . .                                              | 29    | —                  | —                  | 102,964            |
| Restricted bank deposits . . . . .                                                      | 33    | 3,935,387          | 1,092,553          | 1,818,564          |
| Term deposits . . . . .                                                                 | 33    | 1,757,335          | 19,205,160         | 31,068,385         |
| Cash and cash equivalents. . . . .                                                      | 33    | 29,684,152         | 47,267,103         | 59,340,613         |
| Total current assets . . . . .                                                          |       | 94,228,128         | 138,545,246        | 196,016,975        |
| <b>Total assets</b> . . . . .                                                           |       | <u>161,992,100</u> | <u>223,827,586</u> | <u>306,537,675</u> |

|                                                                                 |       | As at 31 December |             |             |
|---------------------------------------------------------------------------------|-------|-------------------|-------------|-------------|
|                                                                                 | Notes | 2023              | 2024        | 2025        |
|                                                                                 |       | RMB'000           | RMB'000     | RMB'000     |
| <b>LIABILITIES</b>                                                              |       |                   |             |             |
| <b>Current liabilities</b>                                                      |       |                   |             |             |
| Trade and note payables . . . . .                                               | 35    | 42,498,591        | 57,712,870  | 76,483,034  |
| Other payables and accruals . . . . .                                           | 36    | 7,229,761         | 12,493,850  | 17,575,491  |
| Contract liabilities . . . . .                                                  | 6     | 243,567           | 262,508     | 931,292     |
| Borrowings . . . . .                                                            | 34    | 23,202,679        | 37,415,654  | 70,264,324  |
| Lease liabilities . . . . .                                                     | 20    | 129,208           | 153,947     | 587,396     |
| Income tax payable. . . . .                                                     |       | 561,049           | 640,604     | 1,172,828   |
| Convertible bonds. . . . .                                                      | 37    | 49,592            | —           | 2,950,609   |
| Short-term financing bills . . . . .                                            | 39    | 802,722           | 5,039,812   | 6,024,479   |
| Financial liabilities at fair value through<br>profit or loss. . . . .          | 40    | 117,942           | 155,279     | 424,219     |
| Derivative Financial Instruments . . . . .                                      | 29    | —                 | —           | 38,122      |
| Current portion of long-term payable. . . . .                                   |       | —                 | —           | 36,340      |
| Total current liabilities . . . . .                                             |       | 74,835,111        | 113,874,524 | 176,488,134 |
| <b>Net current assets</b> . . . . .                                             |       | 19,393,017        | 24,670,722  | 19,528,841  |
| <b>Total assets less current liabilities</b> . . . . .                          |       | 87,156,989        | 109,953,062 | 130,049,541 |
| <b>Non-current liabilities</b>                                                  |       |                   |             |             |
| Borrowings . . . . .                                                            | 34    | 12,038,771        | 19,619,742  | 16,441,983  |
| Convertible bonds. . . . .                                                      | 37    | 2,799,500         | 3,305,437   | 436,185     |
| Medium-term notes. . . . .                                                      | 38    | —                 | —           | 3,055,652   |
| Lease liabilities . . . . .                                                     | 20    | 552,489           | 727,983     | 2,352,693   |
| Deferred tax liabilities . . . . .                                              | 23    | 883,925           | 955,821     | 1,144,144   |
| Deferred income. . . . .                                                        | 41    | 595,324           | 649,109     | 1,138,421   |
| Other payables and accruals . . . . .                                           | 36    | 2,115             | 7,845       | 1,457,231   |
| Long term payables . . . . .                                                    |       | —                 | —           | 2,999       |
| Total non-current liabilities . . . . .                                         |       | 16,872,124        | 25,265,937  | 26,029,308  |
| Total liabilities . . . . .                                                     |       | 91,707,235        | 139,140,461 | 202,517,442 |
| <b>Net assets</b> . . . . .                                                     |       | 70,284,865        | 84,687,125  | 104,020,233 |
| <b>Capital and reserves</b>                                                     |       |                   |             |             |
| Share capital . . . . .                                                         | 42    | 7,148,168         | 7,236,462   | 7,284,443   |
| Other equity instrument . . . . .                                               | 36    | 527,289           | 527,271     | 527,171     |
| Reserves . . . . .                                                              | 43    | 6,458,992         | 9,165,942   | 12,081,794  |
| Other comprehensive income. . . . .                                             |       | 148,763           | (703,805)   | (1,648,324) |
| Cash Flow Hedge Reserve. . . . .                                                |       | —                 | —           | 55,379      |
| Retained earnings . . . . .                                                     |       | 42,026,973        | 53,101,140  | 66,620,641  |
| <b>Capital and reserves attributable to<br/>owners of the Company</b> . . . . . |       | 56,310,185        | 69,327,010  | 84,921,104  |
| <b>Non-controlling interests</b> . . . . .                                      | 44    | 13,974,680        | 15,360,115  | 19,099,129  |
| <b>Total equity</b> . . . . .                                                   |       | 70,284,865        | 84,687,125  | 104,020,233 |

## STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

|                                                                                |       | As at 31 December |            |            |
|--------------------------------------------------------------------------------|-------|-------------------|------------|------------|
|                                                                                | Notes | 2023              | 2024       | 2025       |
|                                                                                |       | RMB'000           | RMB'000    | RMB'000    |
| ASSETS                                                                         |       |                   |            |            |
| Non-current assets                                                             |       |                   |            |            |
| Property, plant and equipment . . . . .                                        | 18    | 159,916           | 145,782    | 249,640    |
| Intangible assets . . . . .                                                    | 22    | 82,966            | 100,371    | 105,440    |
| Right-of-use assets . . . . .                                                  | 20    | 266,348           | 255,648    | 233,335    |
| Goodwill . . . . .                                                             | 21    | 53,174            | 53,174     | 53,174     |
| Deferred tax assets . . . . .                                                  | 23    | —                 | 10,399     | 7,325      |
| Prepayments and other receivables . . . . .                                    | 29    | 4,943             | 164,254    | 10,370,152 |
| Investment in associates . . . . .                                             | 16    | 325,340           | 291,167    | 283,010    |
| Investment in subsidiaries . . . . .                                           | 15    | 23,276,659        | 24,735,538 | 29,797,406 |
| Financial assets at fair value through other<br>comprehensive income . . . . . | 28    | 244,727           | 108,337    | 173,805    |
| Financial assets at fair value through profit<br>or loss . . . . .             | 27    | 570,000           | 570,000    | 570,000    |
| Term deposits . . . . .                                                        | 33    | 894,932           | 6,170,309  | 4,705,049  |
| Total non-current assets . . . . .                                             |       | 25,879,005        | 32,604,979 | 46,548,336 |
| Current assets                                                                 |       |                   |            |            |
| Inventories . . . . .                                                          | 24    | 306,260           | 379,489    | 471,459    |
| Income tax recoverable . . . . .                                               |       | —                 | —          | —          |
| Trade and note receivables . . . . .                                           | 31    | 5,250,822         | 4,266,441  | 6,451,283  |
| Prepayments and other receivables . . . . .                                    | 30    | 15,225,310        | 31,571,933 | 32,828,882 |
| Financial assets at fair value through other<br>comprehensive income . . . . . | 28    | 5,120             | 10,673     | 22,285     |
| Financial assets at fair value through profit<br>or loss . . . . .             | 27    | 339,581           | 219,657    | 746,120    |
| Restricted bank deposits . . . . .                                             | 33    | 1,200,500         | —          | 35,610     |
| Term deposits . . . . .                                                        | 33    | 106,998           | —          | 3,373,711  |
| Cash and cash equivalents . . . . .                                            | 33    | 4,163,379         | 5,038,282  | 3,498,585  |
| Total current assets . . . . .                                                 |       | 26,597,970        | 41,486,475 | 47,427,935 |
| Total assets . . . . .                                                         |       | 52,476,975        | 74,091,454 | 93,976,271 |

# APPENDIX I

# ACCOUNTANTS' REPORT

|                                                                         |       | As at 31 December |            |            |
|-------------------------------------------------------------------------|-------|-------------------|------------|------------|
|                                                                         | Notes | 2023              | 2024       | 2025       |
|                                                                         |       | RMB'000           | RMB'000    | RMB'000    |
| <b>LIABILITIES</b>                                                      |       |                   |            |            |
| <b>Current liabilities</b>                                              |       |                   |            |            |
| Trade and note payables . . . . .                                       | 35    | 5,478,122         | 11,733,288 | 18,207,118 |
| Other payables and accruals . . . . .                                   | 36    | 6,182,652         | 8,115,496  | 4,914,097  |
| Contract liabilities . . . . .                                          | 6     | 11,589            | 14,096     | 7,709      |
| Borrowings . . . . .                                                    | 34    | 3,938,424         | 3,628,517  | 14,738,780 |
| Lease liabilities . . . . .                                             | 20    | 18,610            | 21,496     | 14,173     |
| Short-term financing bills . . . . .                                    | 39    | 802,722           | 5,039,812  | 6,024,479  |
| Financial liabilities at fair value through<br>profit or loss . . . . . | 40    | —                 | —          | —          |
| Convertible bonds . . . . .                                             |       |                   |            | 2,950,609  |
| Dividend payable . . . . .                                              |       |                   |            | 1,165,133  |
| Total current liabilities . . . . .                                     |       | 16,432,119        | 28,552,705 | 48,022,098 |
| <b>Net current assets</b> . . . . .                                     |       | 10,165,851        | 12,933,770 | (594,163)  |
| <b>Total assets less current liabilities</b> . . . . .                  |       | 36,044,856        | 45,538,749 | 45,954,173 |
| <b>Non-current liabilities</b>                                          |       |                   |            |            |
| Borrowings . . . . .                                                    | 34    | 9,676,736         | 17,377,322 | 13,159,317 |
| Convertible bonds . . . . .                                             | 37    | 2,799,500         | 2,878,039  | —          |
| Medium-term notes . . . . .                                             |       | —                 | —          | 3,055,652  |
| Lease liabilities . . . . .                                             | 20    | 27,210            | 19,970     | 10,267     |
| Deferred tax liabilities . . . . .                                      | 23    | 19,507            | —          | —          |
| Deferred income . . . . .                                               | 41    | 3,619             | 2,026      | 519        |
| Total non-current liabilities . . . . .                                 |       | 12,526,572        | 20,277,357 | 16,225,755 |
| Total liabilities . . . . .                                             |       | 28,958,691        | 48,830,062 | 64,247,853 |
| <b>Net assets</b> . . . . .                                             |       | 23,518,284        | 25,261,392 | 29,728,418 |
| <b>Capital and reserves</b>                                             |       |                   |            |            |
| Share capital . . . . .                                                 | 42    | 7,148,168         | 7,236,462  | 7,284,443  |
| Other equity instrument . . . . .                                       | 37    | 527,289           | 527,271    | 527,171    |
| Reserves . . . . .                                                      | 43    | 6,747,952         | 9,063,519  | 11,441,801 |
| Other comprehensive income . . . . .                                    |       | 113,698           | 4,347      | 48,352     |
| Retained earnings . . . . .                                             |       | 8,981,177         | 8,429,793  | 10,426,651 |
| <b>Total equity</b> . . . . .                                           |       | 23,518,284        | 25,261,392 | 29,728,418 |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

|                                                                                          | Share capital | Other equity instrument | Reserves         | Other Comprehensive Income | Retained earnings  | Subtotal          | Non-controlling interest | Total             |
|------------------------------------------------------------------------------------------|---------------|-------------------------|------------------|----------------------------|--------------------|-------------------|--------------------------|-------------------|
|                                                                                          | RMB'000       | RMB'000                 | RMB'000          | RMB'000                    | RMB'000            | RMB'000           | RMB'000                  | RMB'000           |
| As at 1 January 2023. . . . .                                                            | 7,099,909     | 527,320                 | 4,775,793        | 651,459                    | 32,288,416         | 45,342,897        | 13,440,972               | 58,783,869        |
| <b>Comprehensive income</b>                                                              |               |                         |                  |                            |                    |                   |                          |                   |
| Profit for the year. . . . .                                                             | —             | —                       | —                | —                          | 10,952,657         | 10,952,657        | 1,290,556                | 12,243,213        |
| Other comprehensive income. . . . .                                                      | —             | —                       | —                | (464,913)                  | —                  | (464,913)         | (26,628)                 | (491,541)         |
| <b>Total comprehensive income for the year. . . . .</b>                                  | <b>—</b>      | <b>—</b>                | <b>—</b>         | <b>(464,913)</b>           | <b>10,952,657</b>  | <b>10,487,744</b> | <b>1,263,928</b>         | <b>11,751,672</b> |
| <b>Transactions with owners</b>                                                          |               |                         |                  |                            |                    |                   |                          |                   |
| Exercise of share incentive scheme-Employee                                              |               |                         |                  |                            |                    |                   |                          |                   |
| Stock Options . . . . .                                                                  | 48,256        | —                       | 498,442          | —                          | —                  | 546,698           | —                        | 546,698           |
| Exercise conversion right of convertible bonds . . . . .                                 | 3             | (31)                    | 170              | —                          | —                  | 142               | —                        | 142               |
| Share-based payment expense. . . . .                                                     | —             | —                       | 744,409          | —                          | —                  | 744,409           | 59,698                   | 804,107           |
| Changes in the Group's ownership interest in existing investment . . . . .               | —             | —                       | 116,298          | —                          | —                  | 116,298           | (676,026)                | (559,728)         |
| Profit appropriations to statutory reserve. . . . .                                      | —             | —                       | 322,447          | —                          | (322,447)          | —                 | —                        | —                 |
| Appropriation of special reserves . . . . .                                              | —             | —                       | 1,433            | —                          | —                  | 1,433             | 520                      | 1,953             |
| Disposal of financial asset at FVTOCI. . . . .                                           | —             | —                       | —                | (37,783)                   | 35,516             | (2,267)           | —                        | (2,267)           |
| Appropriation for Employee Benefits . . . . .                                            | —             | —                       | —                | —                          | (221)              | (221)             | —                        | (221)             |
| Dividends . . . . .                                                                      | —             | —                       | —                | —                          | (926,948)          | (926,948)         | (114,412)                | (1,041,360)       |
| <b>Total transactions with owners in their capacity as owners for the year . . . . .</b> | <b>48,259</b> | <b>(31)</b>             | <b>1,683,199</b> | <b>(37,783)</b>            | <b>(1,214,100)</b> | <b>479,544</b>    | <b>(730,220)</b>         | <b>(250,676)</b>  |
| As at 31 December 2023 . . . . .                                                         | 7,148,168     | 527,289                 | 6,458,992        | 148,763                    | 42,026,973         | 56,310,185        | 13,974,680               | 70,284,865        |

|                                                                                          | Share capital | Other equity instrument | Reserves         | Other Comprehensive Income | Retained earnings  | Subtotal          | Non-controlling interest | Total             |
|------------------------------------------------------------------------------------------|---------------|-------------------------|------------------|----------------------------|--------------------|-------------------|--------------------------|-------------------|
|                                                                                          | RMB'000       | RMB'000                 | RMB'000          | RMB'000                    | RMB'000            | RMB'000           | RMB'000                  | RMB'000           |
| As at 1 January 2024. . . . .                                                            | 7,148,168     | 527,289                 | 6,458,992        | 148,763                    | 42,026,973         | 56,310,185        | 13,974,680               | 70,284,865        |
| <b>Comprehensive income</b>                                                              |               |                         |                  |                            |                    |                   |                          |                   |
| Profit for the year. . . . .                                                             | —             | —                       | —                | —                          | 13,365,651         | 13,365,651        | 1,213,393                | 14,579,044        |
| Other comprehensive income. . . . .                                                      | —             | —                       | —                | (814,249)                  | —                  | (814,249)         | 57,359                   | (756,890)         |
| <b>Total comprehensive income for the year. . . . .</b>                                  | <b>—</b>      | <b>—</b>                | <b>—</b>         | <b>(814,249)</b>           | <b>13,365,651</b>  | <b>12,551,402</b> | <b>1,270,752</b>         | <b>13,822,154</b> |
| <b>Transactions with owners</b>                                                          |               |                         |                  |                            |                    |                   |                          |                   |
| Exercise of share incentive scheme-Employee                                              |               |                         |                  |                            |                    |                   |                          |                   |
| Stock Options . . . . .                                                                  | 88,292        | —                       | 1,719,094        | —                          | —                  | 1,807,386         | —                        | 1,807,386         |
| Exercise conversion right of convertible bonds . . . . .                                 | 2             | (18)                    | 8,913            | —                          | —                  | 8,897             | 20,120                   | 29,017            |
| Share-based payment expense. . . . .                                                     | —             | —                       | 414,926          | —                          | —                  | 414,926           | 45,542                   | 460,468           |
| Changes in the Group's ownership interest in existing investment . . . . .               | —             | —                       | 391,349          | —                          | —                  | 391,349           | 149,719                  | 541,068           |
| Profit appropriations to statutory reserve. . . . .                                      | —             | —                       | 174,000          | —                          | (174,000)          | —                 | —                        | —                 |
| (Usage)/appropriation of special reserves. . . . .                                       | —             | —                       | (1,332)          | —                          | —                  | (1,332)           | 980                      | (352)             |
| Appropriation for Employee Benefits . . . . .                                            | —             | —                       | —                | —                          | (101)              | (101)             | —                        | (101)             |
| Disposal of financial asset at FVTOCI. . . . .                                           | —             | —                       | —                | (38,319)                   | 36,020             | (2,299)           | —                        | (2,299)           |
| Dividends . . . . .                                                                      | —             | —                       | —                | —                          | (2,153,403)        | (2,153,403)       | (101,678)                | (2,255,081)       |
| <b>Total transactions with owners in their capacity as owners for the year . . . . .</b> | <b>88,294</b> | <b>(18)</b>             | <b>2,706,950</b> | <b>(38,319)</b>            | <b>(2,291,484)</b> | <b>465,423</b>    | <b>114,683</b>           | <b>580,106</b>    |
| As at 31 December 2024 . . . . .                                                         | 7,236,462     | 527,271                 | 9,165,942        | (703,805)                  | 53,101,140         | 69,327,010        | 15,360,115               | 84,687,125        |



# APPENDIX I

# ACCOUNTANTS' REPORT

|                                                                                          | Share capital    | Other equity instrument | Reserves          | Other Comprehensive Income | Cash Flow Hedge Reserve | Retained earnings  | Subtotal          | Non-controlling interest | Total              |
|------------------------------------------------------------------------------------------|------------------|-------------------------|-------------------|----------------------------|-------------------------|--------------------|-------------------|--------------------------|--------------------|
|                                                                                          | RMB'000          | RMB'000                 | RMB'000           | RMB'000                    | RMB'000                 | RMB'000            | RMB'000           | RMB'000                  | RMB'000            |
| As at 1 January 2025 . . . . .                                                           | 7,236,462        | 527,271                 | 9,165,942         | (703,805)                  | —                       | 53,101,140         | 69,327,010        | 15,360,115               | 84,687,125         |
| <b>Comprehensive income</b>                                                              |                  |                         |                   |                            |                         |                    |                   |                          |                    |
| Profit for the year . . . . .                                                            | —                | —                       | —                 | —                          | —                       | 16,599,770         | 16,599,770        | 1,570,467                | 18,170,237         |
| Other comprehensive income . . .                                                         | —                | —                       | —                 | (865,651)                  | 19,456                  | —                  | (846,195)         | 61,602                   | (784,593)          |
| <b>Total comprehensive income for the year . . . . .</b>                                 | <b>—</b>         | <b>—</b>                | <b>—</b>          | <b>(865,651)</b>           | <b>19,456</b>           | <b>16,599,770</b>  | <b>15,753,575</b> | <b>1,632,069</b>         | <b>17,385,644</b>  |
| <b>Transactions with owners</b>                                                          |                  |                         |                   |                            |                         |                    |                   |                          |                    |
| Exercise of share incentive scheme-Employee Stock Options.                               | 47,971           | —                       | 1,320,463         | —                          | —                       | —                  | 1,368,434         | —                        | 1,368,434          |
| Exercise conversion right of convertible bonds . . . . .                                 | 10               | (100)                   | 557               | —                          | —                       | —                  | 467               | —                        | 467                |
| Share-based payment expense . . .                                                        | —                | —                       | 496,983           | —                          | —                       | —                  | 496,983           | 76,831                   | 573,814            |
| Changes in the Group's ownership interest in existing investment. .                      | —                | —                       | 580,552           | —                          | —                       | —                  | 580,552           | 2,165,060                | 2,745,612          |
| Profit appropriations to statutory reserve . . . . .                                     | —                | —                       | 507,713           | —                          | —                       | (507,713)          | —                 | —                        | —                  |
| (Usage)/ appropriation of special reserves . . . . .                                     | —                | —                       | 9,584             | —                          | —                       | —                  | 9,584             | 7,897                    | 17,481             |
| Disposal of financial asset at FVTOCI . . . . .                                          | —                | —                       | —                 | (42,945)                   | —                       | 42,054             | (891)             | —                        | (891)              |
| Dividends . . . . .                                                                      | —                | —                       | —                 | —                          | —                       | (2,614,610)        | (2,614,610)       | (142,843)                | (2,757,453)        |
| <b>Total transactions with owners in their capacity as owners for the year . . . . .</b> | <b>47,981</b>    | <b>(100)</b>            | <b>2,915,852</b>  | <b>(42,945)</b>            | <b>—</b>                | <b>(3,080,269)</b> | <b>(159,481)</b>  | <b>2,106,945</b>         | <b>1,947,464</b>   |
| <b>As at 31 December 2025. . . . .</b>                                                   | <b>7,284,443</b> | <b>527,171</b>          | <b>12,081,794</b> | <b>(1,612,401)</b>         | <b>19,456</b>           | <b>66,620,641</b>  | <b>84,921,104</b> | <b>19,099,129</b>        | <b>104,020,233</b> |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

|                                                                                     |       | As of 31 December |             |              |
|-------------------------------------------------------------------------------------|-------|-------------------|-------------|--------------|
|                                                                                     | Notes | 2023              | 2024        | 2025         |
|                                                                                     |       | RMB'000           | RMB'000     | RMB'000      |
| CASH FLOWS FROM OPERATING ACTIVITIES                                                |       |                   |             |              |
| Profit before income tax . . . . .                                                  |       | 12,885,042        | 16,108,739  | 19,549,858   |
| Adjustments for:                                                                    |       |                   |             |              |
| Provision/(reversal) of impairment under expected credit losses (“ECL”) model . . . | 11    | (23,274)          | 10,088      | 54,482       |
| Provision for inventories and contract fulfilment costs . . . . .                   | 7     | 1,126,386         | 915,720     | 1,144,692    |
| Impairment loss on investment in an associate . . . . .                             | 10    | —                 | 36,411      | —            |
| Impairment loss on PPE . . . . .                                                    | 10    | 191,676           | 293,338     | 320,394      |
| Impairment loss on intangible assets . . . . .                                      | 10    | —                 | —           | 90,077       |
| Impairment loss for goodwill. . . . .                                               | 10    | 804               | —           | —            |
| Depreciation of PPE and investment properties . . . . .                             | 7     | 10,087,063        | 10,648,188  | 12,694,366   |
| Depreciation of right-of-use assets. . . . .                                        | 7     | 239,192           | 308,437     | 591,451      |
| Amortization of intangible assets. . . . .                                          | 7     | 170,329           | 191,985     | 444,415      |
| Gain on disposal of/written off PPE, intangible assets and right-of-use assets . .  | 10    | (106,350)         | (1,583)     | 17,418       |
| Change in fair value of financial assets/liabilities at FVTPL . . . . .             | 10    | (678,346)         | (1,951,100) | (2,475,403)  |
| Interest expenses . . . . .                                                         | 12    | 1,376,870         | 1,462,653   | 1,765,111    |
| Share of profits of associates. . . . .                                             |       | (2,028,502)       | (3,301,007) | (4,251,241)  |
| Share of profits of joint ventures. . . . .                                         |       | (15,860)          | (17,145)    | (14,170)     |
| Gain on disposal/derecognition of subsidiaries and associates. . . . .              | 10    | —                 | (10,019)    | 2,404        |
| Dividend income on holding financial assets at FVTOCI . . . . .                     | 10    | (265)             | —           | —            |
| Loss on disposal of financial assets . . . . .                                      | 10    | 741,343           | 795,497     | 593,026      |
| Bargain purchase gain. . . . .                                                      |       | —                 | —           | (479,317)    |
| Share-based payment expense . . . . .                                               |       | 804,107           | 460,468     | 573,814      |
| Exchange (gain)/loss. . . . .                                                       | 10    | (438,031)         | (759,584)   | (252,210)    |
| Operating cash flow before movements in working capital . . . . .                   |       | 24,332,184        | 25,191,086  | 30,369,167   |
| Decrease/(Increase) in inventories and contract fulfilment costs . . . . .          |       | 5,680,118         | (2,687,732) | (3,383,470)  |
| Decrease/(Increase)/in trade and note receivables . . . . .                         |       | 2,095,822         | (9,976,802) | 10,670,501   |
| (Increase)/decrease in prepayments and other receivables . . . . .                  |       | (82,136)          | (309,915)   | (4,664,919)  |
| (Increase)/decrease in trade and note payables . . . . .                            |       | (2,484,561)       | 14,807,332  | (14,303,162) |
| (Decrease)/Increase in contract liabilities . .                                     |       | (258,199)         | 17,278      | 528,105      |
| Increase/(Decrease) in other payables and accruals . . . . .                        |       | 92,173            | 256,074     | (392,390)    |
| (Decrease)/Increase of restricted cash . . . . .                                    |       | (1,100,000)       | 800,000     | —            |
| (Decrease)/Increase in deferred income . . .                                        |       | (70,586)          | 44,928      | 172,541      |
| Cash generated from operations. . . . .                                             |       | 28,204,815        | 28,142,249  | 18,996,373   |
| Income taxes paid. . . . .                                                          |       | (599,757)         | (1,025,339) | (1,671,043)  |
| Net cash generated from operating activities . . . . .                              |       | 27,605,058        | 27,116,910  | 17,325,330   |

|                                                                                         | As of 31 December   |                     |                     |
|-----------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
|                                                                                         | 2023                | 2024                | 2025                |
|                                                                                         | RMB'000             | RMB'000             | RMB'000             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                             |                     |                     |                     |
| Payment for purchases of financial assets . . .                                         | (25,906,264)        | (82,979,924)        | (93,668,910)        |
| Proceeds from disposal of financial assets . . .                                        | 16,947,761          | 60,982,078          | 85,395,200          |
| Proceeds from disposal of PPE, intangible assets and other non-current assets . . . . . | 498,864             | 259,098             | 254,087             |
| Repayment of loans to suppliers . . . . .                                               | —                   | —                   | —                   |
| Increase of restricted cash . . . . .                                                   | 427,650             | (77,468)            | (30,547)            |
| Purchase of PPE, intangible assets and other non-current assets . . . . .               | (11,387,449)        | (12,110,700)        | (17,904,338)        |
| Proceeds received from acquisition of subsidiaries . . . . .                            | —                   | (1,729,157)         | 5,042,140           |
| Payment for acquisition of subsidiaries . . . . .                                       | —                   | —                   | (3,107,779)         |
| Proceeds from disposal of subsidiaries . . . . .                                        | —                   | —                   | (117,135)           |
| Advance payment for equity investment . . . . .                                         | (140,474)           | —                   | (69,315)            |
| <b>Net cash used in investing activities . . . . .</b>                                  | <b>(19,559,912)</b> | <b>(35,656,073)</b> | <b>(24,206,597)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                             |                     |                     |                     |
| Proceeds from employees for stock options . .                                           | 546,699             | 1,807,386           | 1,368,434           |
| Proceeds from contributions by non-controlling interests in subsidiaries . .            | —                   | 599,178             | 2,287,677           |
| Proceeds from bank borrowings . . . . .                                                 | 91,681,516          | 90,538,655          | 122,351,780         |
| Proceeds from short-term financing bills . . . .                                        | 2,800,000           | 6,300,000           | 7,200,000           |
| Decrease/Increase of restricted cash-finance . .                                        | (1,298,946)         | 1,170,260           | —                   |
| Issuance of convertible bond . . . . .                                                  | —                   | 457,707             | —                   |
| Proceeds from medium-term notes . . . . .                                               | —                   | —                   | 3,000,000           |
| Repayments of bank borrowings . . . . .                                                 | (82,391,675)        | (70,178,628)        | (105,269,938)       |
| Dividends paid . . . . .                                                                | (1,016,826)         | (2,202,991)         | (1,636,420)         |
| Repayment of convertible bond . . . . .                                                 | (190,719)           | (94,930)            | (54,000)            |
| Repayment of short-term financing bills . . . .                                         | (5,880,318)         | (2,124,811)         | (6,284,943)         |
| Repayment of borrowings from non-controlling interests . . . . .                        | —                   | —                   | (1,325,100)         |
| Principal portion of lease payments . . . . .                                           | (176,483)           | (239,235)           | (232,941)           |
| Interest portion of lease payments . . . . .                                            | (27,150)            | (36,018)            | (96,847)            |
| Payment on debt issuance costs . . . . .                                                | (6,203)             | (8,782)             | (9,415)             |
| Transactions with non-controlling interests . .                                         | —                   | (98,000)            | (1,999,000)         |
| Payment of listing expense . . . . .                                                    | —                   | —                   | (9,642)             |
| Others . . . . .                                                                        | 30,371              | 651                 | (1)                 |
| <b>Net cash generated from financing activities . . . . .</b>                           | <b>4,070,266</b>    | <b>25,890,442</b>   | <b>19,289,644</b>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS . . . . .</b>                              | <b>12,115,412</b>   | <b>17,351,279</b>   | <b>12,408,377</b>   |
| Cash and cash equivalents at the beginning of the year . . . . .                        | 17,312,418          | 29,684,152          | 47,267,103          |
| Effect of foreign exchange rate changes, net .                                          | 256,322             | 231,672             | (334,867)           |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR . . . . .</b>                       | <b>29,684,152</b>   | <b>47,267,103</b>   | <b>59,340,613</b>   |

## II NOTES TO HISTORICAL FINANCIAL INFORMATION

### 1 GENERAL INFORMATION

Luxshare Precision Industry Co., LTD. (“**the Company**”) is a joint stock company with limited liability incorporated in the People’s Republic of China (the “**PRC**”). Founded in May 2004, the Company was established by Shenzhen Zixin Investment Company Limited (深圳市資信投資有限公司) and Luxshare Limited (立訊有限公司). The Company was subsequently listed on the Shenzhen Stock Exchange in September 2010.

The address of the Company’s registered office is located at 2/F, Building A, Sanyang New Industrial Zone, Haoyi West, Shajing Street, Baoan District, Shenzhen City, Guangdong Province, the People’s Republic of China, while the principal place of business activities is at No. 313 North Ring Road, Qingxi Town, Dongguan City, Guangdong Province, the People’s Republic of China.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in providing cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other emerging end markets.

The immediate holding company of the Company is Luxshare Limited (立訊有限公司), and the ultimate controlling shareholders of the Company are Wang Laichun and Wang Laisheng.

The detailed information of major subsidiaries was disclosed in Note 15.

### 2 SUMMARY OF ACCOUNTING POLICY INFORMATION

#### 2.1 Basis of Preparation

The Historical Financial Information has been prepared based on the accounting policies set out in Note 2.2 which conform with all applicable IFRS Accounting Standards which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board (“**IASB**”). In addition, the Historical Financial Information also complies with includes the applicable disclosures requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the Historical Financial Information, the Group has adopted the accounting policies which conform with all applicable new and revised IFRS Accounting Standards that are effective during the Track Record Period, consistently throughout the Track Record Period, unless otherwise stated.

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets/liabilities at FVTPL and financial assets at FVTOCI, which are carried at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The Historical Financial Information has been prepared based on the consolidated financial statements of the Group. Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

*New standards, amendments to standards and interpretations not yet adopted*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the Track Record Period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

*New and amendments to IFRS Accounting Standards issued but not yet effective*

|                                         |                                                                                                    |
|-----------------------------------------|----------------------------------------------------------------------------------------------------|
| Amendments to IFRS 9 and IFRS 7         | Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>             |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards <sup>1</sup>                                      |
| IFRS 18                                 | Presentation and Disclosure in Financial Statements <sup>2</sup>                                   |
| IFRS 19                                 | Subsidiaries without Public Accountability: Disclosures <sup>2</sup>                               |
| Amendments to IFRS 10 and IAS 28        | Sale or contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup> |
| Amendments to IFRS 9 and IFRS 7         | Contracts Referencing Nature-dependent Electricity <sup>1</sup>                                    |
| Amendments to IAS 21                    | Translation to a Hyperinflationary Presentation Currency <sup>2</sup>                              |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> The amendments shall be applied prospectively to sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group has already commenced an assessment of the impact of these new or revised standards and amendments.

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard 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. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18, after its adoption on 1 January 2027, will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of profit or loss and other comprehensive income), but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

Except for this, no material impact on the financial performance and positions of the Group is expected when they become effective.

## 2.2 Material accounting policy information

### 2.2.1 Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

### 2.2.2 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not to control or to have joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in



the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

When there is objective evidence that the investment in an associate is impaired, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

The Company's investments in associates are accounted for in the financial statements using the equity method.

### ***2.2.3 Changes in the Group's ownership interests in existing subsidiaries***

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling

interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### **2.2.4 Business combinations**

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits", respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition date amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition date fair value (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

### **2.2.5 Revenue recognition**

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative and applies judgment when assessing the indicators depending on each different circumstances.

At the inception of the contract, the Group assesses the goods promised that have been promised to the customer and identifies as a performance obligation when (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

#### *Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

#### *Sales of products*

Revenue generated from sales of products is recognized at the point in time or over time as work progresses.

Revenue from contracts with customers is recognized at the point in time when control of goods is transferred to the customers, generally when the Group has delivered goods to the location specified in the sales contract and the customers has confirmed the acceptance of the goods.

In other circumstances, the Group's performance does not create an asset with an alternative future use and the contract terms specify the Group has an enforceable right to payment for performance completed to date, revenue generated from such performance is recognised over time based on the input method.

#### *Contract fulfillment costs*

Contract fulfillment costs are the costs to fulfill a contract with a customer which are not capitalized as inventory (Note 2.2.19), property, plant and equipment (Note 2.2.12) or intangible assets (Note 2.2.14).

Costs to fulfill a contract are capitalized if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labor, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Contract fulfillment costs are stated at cost less accumulated amortization and impairment losses. Impairment losses are recognized to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

Amortization of contract fulfillment costs is charged to profit or loss when the revenue to which the asset relates is recognized.

#### ***2.2.6 Government grants***

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognized as deferred revenue in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

#### ***2.2.7 Finance income***

Interest income is presented as the finance income where it is mainly earned from cash and cash equivalent, see Note 12 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### ***2.2.8 Employee benefits***

##### ***(a) Short-term obligations***

Liabilities for wages and salaries, including non-monetary benefits and other allowances that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

##### ***(b) Pension obligations***

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group.

*(c) Housing funds, medical insurances and other social insurances*

The employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

*(d) Bonus plan*

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

*(e) Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

### **2.2.9 Current and deferred income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

*(a) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

*(b) Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.



Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### **2.2.10 Earnings per share**

##### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable owners of the Company,
- by the weighted average number of ordinary shares outstanding during the financial year.

##### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic profit per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### **2.2.11 Foreign currency translation**

##### *(a) Functional and presentation currency*

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency.

*(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within "Other (losses)/gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in OCI.

**2.2.12 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Other than construction in progress, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimate useful lives as follows:

|                                   | Estimated useful life                                                        |
|-----------------------------------|------------------------------------------------------------------------------|
| Land and Building ( <i>Note</i> ) | Permanent, 10–50 years                                                       |
| Office Equipment                  | 3–5 years                                                                    |
| Machinery and Equipment           | 3–15 years                                                                   |
| Computer Equipment                | 3–10 years                                                                   |
| Production Support Equipment      | 5–10 years                                                                   |
| Transportation Vehicles           | 3–5 years                                                                    |
| Other Equipment                   | 3–15 years                                                                   |
| Molds and Tooling                 | 3–10 years                                                                   |
| Leasehold improvements            | Shorter of the term of the lease or the estimated useful lives of the assets |

*Note:* Land owned by subsidiaries in the United States and Taiwan are not subject to depreciation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2.17).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other (losses)/gains, net" in the consolidated statements of profit or loss and other comprehensive income.

Construction in progress represents unfinished construction under construction, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

### **2.2.13 Leases**

#### *Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### *The Group as lessee*

All leases (irrespective of they are operating leases or finance leases) are required to be capitalized in the consolidated statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalize (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognize right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term less than 12 months and leases of low-value assets. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statements of financial position.

#### *Right-of-use asset*

The right-of-use asset is recognized at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the date of initial application over the shorter of the remaining lease term or the useful life of the underlying asset. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

#### *Lease liability*

The lease liability is recognized at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as of commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

#### *The Group as lessor*

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

#### *Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

*2.2.14 Intangible assets**(a) Patent Rights, Non-patented Technology, and Software*

Acquired patent rights, non-patented technology and software are initially capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Patent rights, non-patented technology and software are stated at historical cost less accumulated amortization and impairment losses, if any.

Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives. The Group amortizes patent rights, non-patented technology, and software with a limited useful life using the straight-line method over the following periods:

|                         |            |
|-------------------------|------------|
| Patent Rights           | 2–15 years |
| Non-patented Technology | 2–15 years |
| Software                | 2–10 years |
| Others                  | 2–18 years |

When determining the useful life, the management of the Group has taken into the account the (i) estimated period that can bring economic benefits to the Group; (ii) the useful life estimated by the comparable companies in the market.

*(b) Customer relationship*

Customer relationships acquired through business combinations are recognized at their fair value as of the acquisition date.

These customer relationships are assets with a finite useful life and are amortized using the straight-line method over their estimated useful lives of 6 to 23 years.

*(c) Research and development (“R&D”)*

The Group incurs significant costs and efforts on research and development activities. Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for use or sale;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

The cost of an internally generated intangible asset is the sum of the expenditures incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The costs capitalized in connection with the intangible asset include costs of materials and services used or consumed, employee costs incurred in the creation of the asset.

Development expenditures not satisfying the above criteria are recognized in the profit or loss as incurred and development expenditures previously recognized as an expense are not recognized as an asset in a subsequent period.

#### ***2.2.15 Investment properties***

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include land use rights leased out, land use rights held for transfer upon capital appreciation, and buildings leased out.

An investment property is measured initially at cost, if the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognized in profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of investment properties, and adopts a depreciation or amortization policy for the investment properties which is consistent with that for buildings and land use rights.

It is reclassified at its carrying amount at the date of the transfer when an owner-occupied property is transferred to an investment property, or an investment property is transferred to owner-occupied properties.

When an investment property is transferred to owner-occupied properties, it is reclassified as a fixed asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset is reclassified as an investment property at the date of the transfer, and book value at the date of the transfer shall be used as the value of the investment property.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from the sale, transfer, retirement or damage of an investment property net of its carrying amount and related taxes is recognized in profit or loss for the current period.

#### ***2.2.16 Goodwill***

Goodwill is measured as described in Note 2.2.4. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

#### ***2.2.17 Impairment of non-financial assets***

Assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for



which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **2.2.18 Financial Instruments**

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### **(a) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### **(b) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

*(c) Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in "Finance income" using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "Other (losses)/gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "Other (losses)/gains, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other (losses)/gains, net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or financial assets at FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in "Other (losses)/gains, net" in the period in which it arises.

*Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in "Other (losses)/gains, net" in the consolidated statements of profit or loss and other comprehensive income as applicable.

*(d) Impairment*

The Group performs impairment assessment under ECL model on financial assets which are measured at amortized cost and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The ECL on these assets is assessed collectively or individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

*(i) Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of each reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. See Note 31 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's credit risk management.

**2.2.19 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost mainly comprises good-in-transit, raw materials, work in progress and finished goods. Costs of purchased inventories are determined after deducting rebates and discounts. Net realizable 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.

The cost of individual items of inventory are determined using weighted average costs.

**2.2.20 Trade receivables**

Trade receivables are amounts due from customers for the products and services rendered in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 31 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's credit risk management.

**2.2.21 Contract Asset/ Contract Liability**

When either party to a contract has performed, the Group presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

**2.2.22 Cash and cash equivalents**

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.2.23 Trade and note payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and note payables are classified as current liabilities unless payment is not due within 12 months after each reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**2.2.24 Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as

transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized from the consolidated statements of financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of profit or loss and other comprehensive income as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after each reporting period.

#### ***2.2.25 Share capital***

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### ***2.2.26 Share-based payment***

The Group operates equity-settled share-based compensation plans for remuneration of its employees including share option schemes. All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions. Further details of which are given in Note 45 to the Historical Financial Information.

The fair value of share option granted to employees is recognized as an employee cost with a corresponding increase in the capital reserve. The fair value is measured at grant date, using the Black-Scholes model.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as of the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective at the date of the forfeiture.



The grant of share-based payments by the Company to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of the Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of the Company.

#### ***2.2.27 Hedging accounting policies***

##### *Derivative financial instruments:*

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

#### ***2.2.28 Hedging***

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and variable rate borrowings. Some borrowings are designated as hedges of the foreign exchange risk of a net investment in a foreign operation.

##### *Cash flow hedges:*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve within equity. The effective portion that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis from inception of the hedge. Any ineffective portion is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is removed from the reserve and is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified through OCI to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognized in accordance with the above policy.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve is immediately reclassified through OCI to profit or loss.

#### ***2.2.29 Separate financial statements***

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### **2.2.30 Related party**

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity 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 of the other entity (or an associate of a member of a group of which the other entity is a member).
  - (iii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (iv) The entity is controlled or jointly controlled by a person identified in (a).
  - (v) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (vi) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### **2.2.31 Dividend distribution**

Dividend distributed to the shareholders is recognized as a liability in the Historical Financial Information in the period when the dividends are approved by the entities' shareholders or directors, where appropriate.

## **3 FINANCIAL RISK MANAGEMENT**

### **3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: mainly market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

**(a) Market risk****(i) Foreign exchange risk**

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group's businesses are principally conducted in RMB, USD and other foreign currencies.

The Group regularly monitors its foreign exchange risk to ensure there is no undue exposure to significant foreign exchange risk. The Group continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks.

The exchange rate risks mainly arise from financial assets and financial liabilities denominated in USD. The amounts of financial assets and financial liabilities denominated in foreign currency converted into RMB are presented as follows:

|                                       | USD               | Other Foreign Currencies | Total             |
|---------------------------------------|-------------------|--------------------------|-------------------|
|                                       | RMB'000           | RMB'000                  | RMB'000           |
| <b>As at 31 December 2023</b>         |                   |                          |                   |
| Cash and cash equivalents . . . . .   | 18,390,250        | 323,281                  | 18,713,531        |
| Trade receivables . . . . .           | 14,226,058        | 28,355                   | 14,254,413        |
| Other receivables . . . . .           | 133,487           | 19,026                   | 152,513           |
| Borrowings . . . . .                  | (425,119)         | (478,038)                | (903,157)         |
| Trade payables . . . . .              | (27,154,923)      | (38,530)                 | (27,193,453)      |
| Other payables and accruals . . . . . | (56,974)          | (17,416)                 | (74,390)          |
|                                       | <u>5,112,779</u>  | <u>(163,322)</u>         | <u>4,949,457</u>  |
|                                       |                   |                          |                   |
|                                       | USD               | Other Foreign Currencies | Total             |
|                                       | RMB'000           | RMB'000                  | RMB'000           |
| <b>As at 31 December 2024</b>         |                   |                          |                   |
| Cash and cash equivalents . . . . .   | 38,620,102        | 657,567                  | 39,277,669        |
| Trade receivables . . . . .           | 19,371,329        | 218,868                  | 19,590,197        |
| Other receivables . . . . .           | 90,408            | 27,960                   | 118,368           |
| Borrowings . . . . .                  | (214,696)         | (345,726)                | (560,422)         |
| Trade payables . . . . .              | (33,635,153)      | (681,163)                | (34,316,316)      |
| Other payables and accruals . . . . . | (47,451)          | (39,692)                 | (87,143)          |
|                                       | <u>24,184,539</u> | <u>(162,186)</u>         | <u>24,022,353</u> |
|                                       |                   |                          |                   |
|                                       | USD               | Other Foreign Currencies | Total             |
|                                       | RMB'000           | RMB'000                  | RMB'000           |
| <b>As of 31 December 2025</b>         |                   |                          |                   |
| Cash and cash equivalents . . . . .   | 46,868,762        | 4,555,136                | 51,423,898        |
| Trade receivables . . . . .           | 28,529,243        | 4,245,239                | 32,774,482        |
| Other receivables . . . . .           | 99,221            | 1,598,698                | 1,697,919         |
| Borrowing . . . . .                   | (9,256,252)       | (1,339,307)              | (10,595,559)      |
| Trade and notes payables . . . . .    | (41,251,647)      | (6,161,084)              | (47,412,731)      |
| Other payables and accruals . . . . . | (356,123)         | (751,362)                | (1,107,485)       |
|                                       | <u>24,633,204</u> | <u>2,147,320</u>         | <u>26,780,524</u> |

As at 31 December 2023, 31 December 2024 and 31 December 2025, if the RMB appreciates or depreciates by 5% against the US dollar and other factors remain unchanged, the Group will reduce or increase its profit before taxation by approximately RMB255 million, RMB1,209 million, and RMB1,232 million, respectively. Other foreign currencies of changes have no significant impact on foreign exchange risk.

*(ii) Interest rate risk*

The Group's interest rate risk primarily arises from borrowings, convertible bonds, financial assets at FVTPL, cash and cash equivalents, term deposits, and restricted bank deposits. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 34.

As at 31 December 2023, 31 December 2024 and 31 December 2025, the Group was not exposed to significant interest rate risk as all financial instruments were mainly fixed-rate instruments with no floating-rate components. The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate risk.

*(iii) Other Price risk*

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified as FVTOCI. To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of FVTOCI at the end of each reporting period. If prices of the respective instruments held by the Group had increased/decreased by 10% as at 31 December 2023, 2024 and 2025, with all other variable held constant, other comprehensive income would increase/decrease approximately RMB20,083,000, RMB6,500,000 and RMB12,926,000, respectively, as a result of gains/losses on financial instruments classified as FVTOCI.

***(b) Credit risk***

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted bank deposits, trade receivables, contract assets and other receivables. The carrying amount of each class of the above assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of assets.

*(i) Credit risk of cash and cash equivalents and restricted bank deposits*

To manage this risk, the Group's subsidiaries only make transactions with reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The credit losses are assessed to be immaterial.

*(ii) Credit risk of trade receivables and contract assets*

The Group applies the simplified approach in calculating ECLs for trade receivables and contract assets. A certain customer of the Group which has an outstanding trade receivable and contract asset due to the Group with gross carrying amount of approximately RMB67.53 million, RMB67.53 million and RMB171.67 million as at 31 December 2023, 2024 and 2025 were assessed for allowance for credit

losses individually. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward-looking information. For customer subjected to individual assessment, the management has fully provided for impairment during the track record period.

The remaining trade receivables and contract assets 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.

The following table sets forth an aging analysis (based on past due date) of the gross trade receivables and contract assets and the related loss allowances at the respective reporting dates:

| As at 31 December 2023               |                   |                |                    |
|--------------------------------------|-------------------|----------------|--------------------|
| Assessed based on grouping           | Gross amount      | Loss allowance | Expected loss rate |
|                                      | RMB'000           | RMB'000        | %                  |
| Not yet past due . . . . .           | 23,173,144        | 11,587         | 0.05               |
| Past due 1–60 days . . . . .         | 341,699           | 17,085         | 5.00               |
| Past due 61–120 days . . . . .       | 16,519            | 4,956          | 30.00              |
| Past due 121–180 days . . . . .      | 2,508             | 1,003          | 40.00              |
| Past due 181–365 days . . . . .      | 10,123            | 5,062          | 50.00              |
| Past due 1 year to 2 years . . . . . | 1,807             | 1,627          | 90.00              |
| Past due over 2 years . . . . .      | 2,780             | 2,780          | 100.00             |
|                                      | <u>23,548,580</u> | <u>44,100</u>  |                    |
| As at 31 December 2024               |                   |                |                    |
| Assessed based on grouping           | Gross amount      | Loss allowance | Expected loss rate |
|                                      | RMB'000           | RMB'000        | %                  |
| Not yet past due . . . . .           | 32,170,749        | 16,085         | 0.05               |
| Past due 1–60 days . . . . .         | 401,427           | 20,071         | 5.00               |
| Past due 61–120 days . . . . .       | 29,534            | 8,860          | 30.00              |
| Past due 121–180 days . . . . .      | 3,570             | 1,428          | 40.00              |
| Past due 181–365 days . . . . .      | 4,171             | 2,086          | 50.00              |
| Past due 1 year to 2 years . . . . . | 1,779             | 1,601          | 90.00              |
| Past due over 2 years . . . . .      | 3,496             | 3,496          | 100.00             |
|                                      | <u>32,614,726</u> | <u>53,627</u>  |                    |
| As at 31 December 2025               |                   |                |                    |
| Assessed based on grouping           | Gross amount      | Loss allowance | Expected loss rate |
|                                      | RMB'000           | RMB'000        | %                  |
| Not yet past due . . . . .           | 48,180,108        | 24,072         | 0.05               |
| Past due 1-60 days . . . . .         | 1,392,046         | 69,602         | 5.00               |
| Past due 61-120 days . . . . .       | 82,606            | 24,782         | 30.00              |
| Past due 121-180 days . . . . .      | 24,539            | 9,816          | 40.00              |
| Past due 181-365 days . . . . .      | 36,686            | 18,343         | 50.00              |
| Past due 1 year to 2 years . . . . . | 61,755            | 55,579         | 90.00              |
| Past due over 2 years . . . . .      | 235               | 235            | 100.00             |
|                                      | <u>49,777,975</u> | <u>202,429</u> |                    |

There is no significant changes in expected loss rate throughout the Track Record Period. as there is no significant changes in credit rating of the debtors, historical payment pattern and forward-looking information during the Track Record Period.

During the year, the following impairment loss were recognized in profit or loss in relation: to trade and note receivables and contract assets:

|                                                 | Year ended 31 December |         |         |
|-------------------------------------------------|------------------------|---------|---------|
|                                                 | 2023                   | 2024    | 2025    |
|                                                 | RMB'000                | RMB'000 | RMB'000 |
| Trade receivables and contract assets . . . . . | (25,623)               | 11,572  | 38,616  |
| Note receivables . . . . .                      | (271)                  | 112     | 100     |
| At end of the year . . . . .                    | (25,894)               | 11,684  | 38,716  |

(iii) *Credit risk of other receivables*

Other receivables mainly comprise amount due from associates, amount due from the related parties, and amount due from the third parties. The management of the Group makes individual assessment on the recoverability of amount due from associates, amount due from the related parties and amount due from the third parties based on historical settlement records and past experiences. The Group measures credit risk using probability of default, exposure at default and loss given default.

For impairment on amount due from associates, amount due from the related parties, amount due from the third parties, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets that are not credit-impaired on initial recognition are classified in 'Stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'Stage 3' and the expected credit loss is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on these financial assets based on historical settlement records and past experience.

The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12 months ECL.

For the current portion:

|                                     | Year ended 31 December |         |           |
|-------------------------------------|------------------------|---------|-----------|
|                                     | 2023                   | 2024    | 2025      |
|                                     | RMB'000                | RMB'000 | RMB'000   |
| Gross carrying amount . . . . .     | 327,258                | 924,768 | 1,782,379 |
| Expected credit loss . . . . .      | 4,851                  | 7,939   | 21,415    |
| Expected credit loss rate . . . . . | 1.48%                  | 0.86%   | 1.20%     |

For the non-current portion, management performed an individual assessment and estimated that the expected credit loss is minimal.



On that basis, movements of loss allowance for other receivables are as follows:

|                                                                                                                                                    | Year ended 31 December |         |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------|---------|
|                                                                                                                                                    | 2023                   | 2024    | 2025    |
|                                                                                                                                                    | RMB'000                | RMB'000 | RMB'000 |
| <b>Loss allowance</b>                                                                                                                              |                        |         |         |
| At the beginning of the year . . . . .                                                                                                             | 5,333                  | 4,851   | 7,939   |
| Provision/ (reversal) for impairment<br>recognised in the consolidated statements<br>of profit or loss and other comprehensive<br>income . . . . . | 2,620                  | (1,596) | 15,766  |
| Written off . . . . .                                                                                                                              | —                      | (2,177) | (2,482) |
| Acquired through business combinations . . . .                                                                                                     | —                      | 6,745   | 892     |
| Others . . . . .                                                                                                                                   | (3,102)                | 116     | (700)   |
| At the end of the year . . . . .                                                                                                                   | 4,851                  | 7,939   | 21,415  |

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. Liquidity risk is centrally managed by the finance department of the Group. The finance department ensures that the Group maintains sufficient funding to meet its debt obligations under reasonably foreseeable scenarios by monitoring cash balances, marketable securities, and rolling 12-months cash flow forecasts.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at each year end to the contractual maturity date for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is immaterial.

|                                                                                                                        | Less than 1 year | Between<br>1 and 2 years | Between<br>2 and 5 years | Over 5 years | Total      | Carrying<br>amount |
|------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------|--------------------------|--------------|------------|--------------------|
|                                                                                                                        | RMB'000          | RMB'000                  | RMB'000                  | RMB'000      | RMB'000    | RMB'000            |
| <b>As at 31 December 2023</b>                                                                                          |                  |                          |                          |              |            |                    |
| Trade and note payables . . . . .                                                                                      | 42,498,591       | —                        | —                        | —            | 42,498,591 | 42,498,591         |
| Other payables and accruals (excluding payroll<br>and welfare payables and other taxes payable)<br>(Note 36) . . . . . | 4,309,188        | —                        | —                        | —            | 4,309,188  | 4,309,188          |
| Borrowings (including interest accrual up to<br>maturity) . . . . .                                                    | 23,764,177       | 2,460,618                | 8,819,886                | 1,380,823    | 36,425,504 | 35,241,450         |
| Short-term financing bills . . . . .                                                                                   | 810,475          | —                        | —                        | —            | 810,475    | 802,722            |
| Convertible bonds . . . . .                                                                                            | 275,100          | 54,000                   | 3,060,000                | —            | 3,389,100  | 2,849,092          |
| Lease liabilities . . . . .                                                                                            | 123,972          | 151,114                  | 217,339                  | 305,177      | 797,602    | 681,697            |
|                                                                                                                        | 71,781,503       | 2,665,732                | 12,097,225               | 1,686,000    | 88,230,460 | 86,382,740         |

|                                                                                                                        | Less than 1 year   | Between<br>1 and 2 years | Between<br>2 and 5 years | Over 5 years     | Total              | Carrying<br>amount |
|------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|--------------------------|------------------|--------------------|--------------------|
|                                                                                                                        | RMB'000            | RMB'000                  | RMB'000                  | RMB'000          | RMB'000            | RMB'000            |
| <b>As at 31 December 2024</b>                                                                                          |                    |                          |                          |                  |                    |                    |
| Trade and note payables . . . . .                                                                                      | 57,712,870         | —                        | —                        | —                | 57,712,870         | 57,712,870         |
| Other payables and accruals (excluding payroll<br>and welfare payables and other taxes payable)<br>(Note 36) . . . . . | 8,755,829          | —                        | —                        | —                | 8,755,829          | 8,755,829          |
| Borrowings (including interest accrual up to<br>maturity) . . . . .                                                    | 37,458,202         | 12,988,922               | 6,784,208                | 875,752          | 58,107,084         | 57,035,396         |
| Short-term financing bills . . . . .                                                                                   | 5,075,179          | —                        | —                        | —                | 5,075,179          | 5,039,812          |
| Convertible bonds . . . . .                                                                                            | 54,000             | 3,060,000                | 449,940                  | —                | 3,563,940          | 3,305,437          |
| Lease liabilities . . . . .                                                                                            | 234,954            | 206,389                  | 259,909                  | 294,881          | 996,133            | 881,930            |
|                                                                                                                        | <u>109,291,034</u> | <u>16,255,311</u>        | <u>7,494,057</u>         | <u>1,170,633</u> | <u>134,211,035</u> | <u>132,731,274</u> |
|                                                                                                                        |                    |                          |                          |                  |                    |                    |
|                                                                                                                        | Less than 1 year   | Between<br>1 and 2 years | Between<br>2 and 5 years | Over 5 years     | Total              | Carrying<br>amount |
|                                                                                                                        | RMB'000            | RMB'000                  | RMB'000                  | RMB'000          | RMB'000            | RMB'000            |
| <b>As at 31 December 2025</b> . . . . .                                                                                |                    |                          |                          |                  |                    |                    |
| Trade and note payables . . . . .                                                                                      | 76,483,034         | —                        | —                        | —                | 76,483,034         | 76,483,034         |
| Other payables and accruals (excluding payroll<br>and welfare payables and other taxes payable)<br>(Note 36) . . . . . | 3,240,336          | —                        | —                        | —                | 3,240,336          | 3,240,336          |
| Borrowings (including interest accrual up to<br>maturity) . . . . .                                                    | 71,225,049         | 6,637,276                | 9,455,577                | 923,468          | 88,241,370         | 86,706,307         |
| Short-term financing bills . . . . .                                                                                   | 6,075,548          | —                        | —                        | —                | 6,075,548          | 6,024,479          |
| Convertible bonds . . . . .                                                                                            | 3,059,696          | 466,442                  | —                        | —                | 3,526,138          | 3,386,794          |
| Long term payables . . . . .                                                                                           | 36,340             | 2,999                    | —                        | —                | 39,339             | 39,339             |
| Medium term notes . . . . .                                                                                            | 64,350             | 64,350                   | 3,005,266                | —                | 3,133,966          | 3,055,652          |
| Lease liabilities . . . . .                                                                                            | 741,849            | 586,837                  | 1,133,905                | 1,061,172        | 3,523,763          | 2,940,089          |
|                                                                                                                        | <u>160,926,202</u> | <u>7,757,904</u>         | <u>13,594,748</u>        | <u>1,984,640</u> | <u>184,263,494</u> | <u>181,876,030</u> |

### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of lease liabilities, borrowings (net of cash and bank balances), convertible bond, short-term financing bills, medium-term notes and equity attributable to owners of the Company (comprising capital and reserves).

|                                                                                             | As at 31 December |                   |                    |
|---------------------------------------------------------------------------------------------|-------------------|-------------------|--------------------|
|                                                                                             | 2023              | 2024              | 2025               |
|                                                                                             | RMB'000           | RMB'000           | RMB'000            |
| Lease liabilities . . . . .                                                                 | 681,697           | 881,930           | 2,940,089          |
| Borrowings (net of cash and bank balances) . .                                              | 5,557,298         | 9,768,293         | 27,365,694         |
| Convertible Bond . . . . .                                                                  | 2,849,092         | 3,305,437         | 3,386,794          |
| Short-term financing bills . . . . .                                                        | 802,722           | 5,039,812         | 6,024,479          |
| Medium-term notes . . . . .                                                                 | —                 | —                 | 3,055,652          |
| Equity attributable to owners of the Company<br>(comprising capital and reserves) . . . . . | <u>56,310,185</u> | <u>69,327,010</u> | <u>84,921,104</u>  |
|                                                                                             | <u>66,200,994</u> | <u>88,322,482</u> | <u>127,693,812</u> |

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company's shares. No changes were made to the objectives, policies or processes for managing capital during the Track Record Period.

### 3.3 Fair value estimation

#### (a) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

- (i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- (ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as at 31 December 2023, 31 December 2024 and 31 December 2025.

The following table presents the Group's financial assets that are measured at fair value as at 31 December 2023, 31 December 2024 and 31 December 2025 respectively.

|                                                             | Level 1        | Level 2         | Level 3          | Total            |
|-------------------------------------------------------------|----------------|-----------------|------------------|------------------|
|                                                             | RMB'000        | RMB'000         | RMB'000          | RMB'000          |
| <b>As at 31 December 2023</b>                               |                |                 |                  |                  |
| <b>Assets</b>                                               |                |                 |                  |                  |
| Financial assets at FVTPL                                   |                |                 |                  |                  |
| —Equity investments . . . . .                               | —              | —               | 35,700           | 35,700           |
| —Derivative financial assets ( <i>Note</i> ) . .            | —              | 92,485          | —                | 92,485           |
| —Wealth management products . . . . .                       | —              | —               | 1,628,279        | 1,628,279        |
| Financial assets at FVTOCI                                  |                |                 |                  |                  |
| —Equity investments . . . . .                               | 172,691        | —               | 76,431           | 249,122          |
| —Note receivables measured at FVTOCI. . . . .               | —              | —               | 587,585          | 587,585          |
| <b>Liabilities</b>                                          |                |                 |                  |                  |
| Financial liabilities at FVTPL                              |                |                 |                  |                  |
| —Derivative financial liabilities ( <i>Note</i> ) . . . . . | —              | (117,942)       | —                | (117,942)        |
|                                                             | <u>172,691</u> | <u>(25,457)</u> | <u>2,327,995</u> | <u>2,475,229</u> |

# APPENDIX I

# ACCOUNTANTS' REPORT

|                                                                   | Level 1 | Level 2   | Level 3   | Total     |
|-------------------------------------------------------------------|---------|-----------|-----------|-----------|
|                                                                   | RMB'000 | RMB'000   | RMB'000   | RMB'000   |
| <b>As at 31 December 2024</b>                                     |         |           |           |           |
| <b>Assets</b>                                                     |         |           |           |           |
| Financial assets at FVTPL                                         |         |           |           |           |
| —Equity investments . . . . .                                     | —       | —         | 39,312    | 39,312    |
| —Derivative financial assets ( <i>Note</i> ) . .                  | —       | 102,883   | —         | 102,883   |
| —Wealth management products . . . . .                             | —       | —         | 1,300,228 | 1,300,228 |
| Financial assets at FVTOCI                                        |         |           |           |           |
| —Equity investments . . . . .                                     | 41,322  | —         | 71,443    | 112,765   |
| —Note receivables measured at FVTOCI . . . . .                    | —       | —         | 1,106,284 | 1,106,284 |
| <b>Liabilities</b>                                                |         |           |           |           |
| Financial liabilities at FVTPL                                    |         |           |           |           |
| —Derivative financial liabilities ( <i>Note</i> ) . . . . .       | —       | (155,279) | —         | (155,279) |
|                                                                   | 41,322  | (52,396)  | 2,517,267 | 2,506,193 |
|                                                                   |         |           |           |           |
|                                                                   | Level 1 | Level 2   | Level 3   | Total     |
|                                                                   | RMB'000 | RMB'000   | RMB'000   | RMB'000   |
| <b>As at 31 December 2025</b>                                     |         |           |           |           |
| <b>Assets</b>                                                     |         |           |           |           |
| Financial assets at FVTPL                                         |         |           |           |           |
| — Equity investments . . . . .                                    | —       | —         | 37,637    | 37,637    |
| — Derivative financial assets ( <i>Note</i> ) . .                 | —       | 71,865    | —         | 71,865    |
| — Wealth management products . . . . .                            | —       | —         | 2,770,200 | 2,770,200 |
| Derivative Financial Instruments under hedge accounting . . . . . | —       | 102,964   | —         | 102,964   |
| Financial assets at FVTOCI . . . . .                              |         |           |           |           |
| — Equity investments . . . . .                                    | 129,259 | —         | 90,203    | 219,462   |
| — Note receivables measured at FVTOCI . . . . .                   | —       | —         | 1,263,240 | 1,263,240 |
| <b>Liabilities</b>                                                |         |           |           |           |
| Financial liabilities at FVTPL                                    |         |           |           |           |
| — Derivative financial liabilities ( <i>Note</i> ) . . . . .      | —       | (424,219) | —         | (424,219) |
| Derivative Financial Instruments under hedge accounting . . . . . | —       | (38,122)  | —         | (38,122)  |
|                                                                   | 129,259 | (287,512) | 4,161,280 | 4,003,027 |

*Note:* Derivative financial assets and liabilities mainly refer to USD/CNY forward exchange contracts.

## (b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other technique, such as asset based approach, is used to determine fair value for the remaining financial instrument.

There were no changes in valuation techniques during the Track Record Period.

*(c) Fair value measurements using significant unobservable inputs*

The following table presents the movements in level 3 items for the years ended 31 December 2023, 31 December 2024 and 31 December 2025:

|                              | Financial assets at FVTPL  |                    | Financial assets at FVTOCI |                                     | Total            |
|------------------------------|----------------------------|--------------------|----------------------------|-------------------------------------|------------------|
|                              | Wealth management products | Equity investments | Equity investments         | Note receivables measured at FVTOCI |                  |
|                              | RMB'000                    | RMB'000            | RMB'000                    | RMB'000                             | RMB'000          |
| <b>Level 3</b>               |                            |                    |                            |                                     |                  |
| As at 1 January 2023 . . . . | 1,326,227                  | 35,700             | 97,728                     | —                                   | 1,459,655        |
| Additions . . . . .          | 16,228,842                 | —                  | 25,000                     | 587,585                             | 16,841,427       |
| Disposals . . . . .          | (16,145,357)               | —                  | (37,783)                   | —                                   | (16,183,140)     |
| Fair value changes . . . . . | 218,567                    | —                  | (8,514)                    | —                                   | 210,053          |
| As at 31 December 2023 .     | <u>1,628,279</u>           | <u>35,700</u>      | <u>76,431</u>              | <u>587,585</u>                      | <u>2,327,995</u> |
| As at 1 January 2024 . . . . | 1,628,279                  | 35,700             | 76,431                     | 587,585                             | 2,327,995        |
| Additions . . . . .          | 4,954,090                  | —                  | —                          | 518,699                             | 5,472,789        |
| Disposals . . . . .          | (5,242,001)                | (300)              | (38,319)                   | —                                   | (5,280,620)      |
| Fair value changes . . . . . | (40,140)                   | 3,912              | 33,331                     | —                                   | (2,897)          |
| As at 31 December 2024 .     | <u>1,300,228</u>           | <u>39,312</u>      | <u>71,443</u>              | <u>1,106,284</u>                    | <u>2,517,267</u> |
| As at 1 January 2025 . . . . | 1,300,228                  | 39,312             | 71,443                     | 1,106,284                           | 2,517,267        |
| Additions . . . . .          | 93,408,962                 | 2,236              | 20,336                     | 156,956                             | 93,588,490       |
| Disposals . . . . .          | (92,114,850)               | —                  | —                          | —                                   | (92,114,850)     |
| Fair value changes . . . . . | 175,860                    | (3,911)            | (1,576)                    | —                                   | 170,373          |
| As at 31 December 2025 .     | <u>2,770,200</u>           | <u>37,637</u>      | <u>90,203</u>              | <u>1,263,240</u>                    | <u>4,161,280</u> |

*(d) Valuation inputs and relationships to fair value*

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements .

| Description                               | Fair value        |           |           | Valuation techniques and<br>key inputs                                              | Significant unobservable inputs                                                                                                                                       | Relationship of key assumptions to<br>fair value                                               |
|-------------------------------------------|-------------------|-----------|-----------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
|                                           | As at 31 December |           |           |                                                                                     |                                                                                                                                                                       |                                                                                                |
|                                           | 2023              | 2024      | 2025      |                                                                                     |                                                                                                                                                                       |                                                                                                |
|                                           | RMB'000           | RMB'000   | RMB'000   |                                                                                     |                                                                                                                                                                       |                                                                                                |
| Financial assets at FVTPL                 |                   |           |           |                                                                                     |                                                                                                                                                                       |                                                                                                |
| — Equity investments . . . .              | 35,700            | 39,312    | 37,637    | Fair values are estimated<br>based on market approach<br>of underlying investments. | Equity value of the<br>underlying investments,<br>31 December 2023:<br>RMB395,348,000,<br>31 December 2024:<br>RMB470,092,000<br>31 December 2025: RMB<br>450,769,000 | The higher the equity value<br>of the underlying<br>investments, the higher the<br>fair value. |
| — Wealth management<br>products . . . . . | 1,628,279         | 1,300,228 | 2,770,200 | Present value method                                                                | Discount for lack of<br>marketability                                                                                                                                 | The higher the discount for<br>lack of marketability, the<br>lower the valuation               |

| Description                                        | Fair value        |           |           | Valuation techniques and key inputs                                          | Significant unobservable inputs                                                                                                                        | Relationship of key assumptions to fair value                              |
|----------------------------------------------------|-------------------|-----------|-----------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
|                                                    | As at 31 December |           |           |                                                                              |                                                                                                                                                        |                                                                            |
|                                                    | 2023              | 2024      | 2025      |                                                                              |                                                                                                                                                        |                                                                            |
|                                                    | RMB'000           | RMB'000   | RMB'000   |                                                                              |                                                                                                                                                        |                                                                            |
| Financial assets at FVTOCI                         |                   |           |           |                                                                              |                                                                                                                                                        |                                                                            |
| — Equity investments at fair value . . . . .       | 76,431            | 71,443    | 90,203    | Fair values are estimated based on market approach of underlying investment. | Equity value of the underlying investments, 31 December 2023: RMB2,780,071,000, 31 December 2024: RMB2,474,314,000. 31 December 2025: RMB2,850,995,000 | The higher the equity value, the higher the fair value.                    |
| — Note receivables measured at FVTOCI (Note (c)) . | 587,585           | 1,106,284 | 1,263,240 | Present value method                                                         | Discount for lack of marketability                                                                                                                     | The higher the discount for lack of marketability, the lower the valuation |

- (a) For equity investments measured at FVTPL: as of 31 December 2023, 2024 and 2025, if equity value of the underlying investments were 10% higher/lower, fair value of financial assets at FVTPL would have been approximately RMB3.57 million, RMB3.93 million and RMB3.76 million higher/lower respectively.
- (b) For equity investment measured at FVTOCI: as of 31 December 2023, 2024 and 2025, if equity value were 10% higher/lower, fair value of financial assets at FVTOCI would have been approximately RMB7.64 million, RMB7.14 million and RMB9.02 million higher/lower respectively.
- (c) The note receivables measured at FVTOCI of the Group mainly consists of bank acceptance bills of the reputable banks in the PRC which contains 6 state-owned banks and 9 listed joint-stock commercial banks. The note receivables measured at FVTOCI is relatively high credit ratings with the short remaining terms. The Group considers that the fair value of note receivables measured at FVTOCI approximately equals to its contracted face value with minimal discounting rate approximate to zero.
- (d) For wealth management products: as of 31 December 2023, 2024 and 2025, if discount rate were 3% higher/lower, fair value of wealth management products would have been approximately RMB48.85 million, RMB39.01 million and RMB83.11 million higher/lower respectively.
- (e) For note receivables measured at FVTOCI: as of 31 December 2023, 2024 and 2025, if discount rate were 3% higher, fair value of note receivables measured at FVTOCI would have been approximately RMB17.63 million, RMB33.19 million and RMB37.90 million lower respectively.

#### 4 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, which are described in Note 2, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgments and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.



The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(a) Estimation of the fair value of financial assets at FVTPL and financial assets at FVTOCI**

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

**(b) Inventory provision**

Inventories are stated at the lower of cost and net realizable value as stated in Note 2.2.19. Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in customer preference, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting year.

**(c) Provision of ECL for financial assets at amortized cost**

The Group calculates ECL for trade and other receivables and cash and cash equivalent under IFRS 9. The provision rates are based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. For details of the key assumptions and inputs used are set out in Note 3.1(b). Changes in these assumptions and estimation could materially affect the assessment and it may be necessary to make additional loss allowance in future periods.

**(d) Impairment assessment of non-financial assets**

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts of the assets to exceed their recoverable amounts. The recoverable amount of an asset or a cash generating unit is determined as the higher of their unit's fair value less cost of disposal and its value-in-use which requires the use of assumptions and estimates.

**(e) Share-based compensations**

The Group measures the cost of share-based payments transactions with reference to the fair value of the instruments at grant date, which include the use of the Black-Scholes model. The assumptions and models used for the share-based payments are disclosed in Note 45.

**(f) Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. The recoverable amount of goodwill is determined at higher of fair value less costs of disposal and value in use amount. The calculations of value in use amount require use of estimates. The cash flow projections used to determine the value in use of a cash-generating unit is based on significant assumptions, such as

revenue growth rate, net profit margins before tax and interests, and pre-tax discount rate applied to the projected cash flows. These assumptions may be affected by unexpected changes in future market or economic conditions.

**(g) Uncertain tax position and recognition of current and deferred income tax assets**

The Group is subject to enterprise income tax in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As stated in Note 13, some subsidiaries of the Group are high-tech enterprises. The “High-Tech Enterprise Certificate” is effective for three years. Upon expiration, application for high-tech enterprise assessment should be submitted again to the relevant government authorities. Based on the past experience of reassessment for high-tech enterprise upon expiration and the actual condition of the subsidiaries, the Group considers that the subsidiaries are able to obtain the qualification for high-tech enterprises in future years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If some subsidiaries cannot obtain the qualification for high-tech enterprise upon expiration, then the subsidiaries are subject to a statutory tax rate of 25% for the calculation of the income tax, which further influences the recognized deferred tax assets, deferred tax liabilities and income tax expenses.

**(h) Consolidation of entities in which the Group holds less than 50% voting rights**

Management consider that the Group has de facto control over Speed Tech even though it has less than 50% of the voting rights based on the following factors: 1) as of 31 December 2023, 2024 and 2025 the Group is the single largest shareholder of Speed Tech with a 23.63% to 31.15% equity interest. The rest of the voting rights of Speed Tech is dispersed; 2) over the past ten years, the company’s shareholding has, in most cases, represented more than half of the shares present at the shareholders’ meetings and all resolutions supported by the Group were duly passed and that no resolutions opposed by the Group had been adopted; 3) significant transactions of Speed Tech are managed by the Group, including corporate operational decisions, the annual operating targets, the annual/monthly budget plans, as well as the establishment of accounting policies and financial management systems; and 4) several key management personnel are former employees transferred from the Group since the initial acquisition.

**5 SEGMENT INFORMATION**

The Group manages its businesses by business lines, in a manner consistent with the way in which information is reported internally to the Group’s chief operating decision maker (“**CODM**”) for the purposes of resource allocation and performance assessment. The Group has one single operating segment and no further analysis of the single segment is presented.

The geographical location of the Group’s non-current assets (excluding deferred income tax assets and financial assets), mainly comprised of the property, plant and equipment, is based on the physical location of these assets.

As at the end of each year for the Track Record Period, the geographical location of the Group's non-current assets are as follows:

|                                             | Year ended 31 December |                |                |
|---------------------------------------------|------------------------|----------------|----------------|
|                                             | 2023                   | 2024           | 2025           |
|                                             | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Europe . . . . .                            | 22                     | 8,518          | 9,809,278      |
| North and Central America . . . . .         | 46,673                 | 615,223        | 1,119,450      |
| Asia (excluding Chinese Mainland) . . . . . | 14,221,892             | 17,329,483     | 20,665,416     |
|                                             | 14,268,587             | 17,953,224     | 31,594,144     |
| Chinese Mainland . . . . .                  | 43,974,613             | 51,182,850     | 63,620,739     |
|                                             | 58,243,200             | 69,136,074     | 95,214,883     |

Revenue from customers contributing over 10% of the total revenue of the Group during the years ended 31 December 2023, 2024 and 2025 are as follows:

|                      | Year ended 31 December |                |                |
|----------------------|------------------------|----------------|----------------|
|                      | 2023                   | 2024           | 2025           |
|                      | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Customer A . . . . . | 174,489,982            | 190,138,937    | 188,381,235    |

## 6 REVENUE

### (a) Disaggregation of revenue from contracts with customers

Revenue for the years ended 31 December 2023, 2024 and 2025 are as follows:

|                           | Year ended 31 December |                |                |
|---------------------------|------------------------|----------------|----------------|
|                           | 2023                   | 2024           | 2025           |
|                           | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Sales of products         |                        |                |                |
| — Point in time . . . . . | 231,905,460            | 268,794,738    | 325,362,306    |
| — Over time . . . . .     | —                      | —              | 6,982,137      |
|                           | 231,905,460            | 268,794,738    | 332,344,443    |

Revenue by location of the customers for the years ended 31 December 2023, 2024 and 2025 are as follows:

|                                             | Year ended 31 December |                |                |
|---------------------------------------------|------------------------|----------------|----------------|
|                                             | 2023                   | 2024           | 2025           |
|                                             | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Europe . . . . .                            | 90,987,715             | 93,134,443     | 107,121,665    |
| North and Central America . . . . .         | 75,048,479             | 85,438,989     | 99,295,810     |
| Asia (excluding Chinese Mainland) . . . . . | 29,904,124             | 47,080,871     | 67,135,595     |
| Others . . . . .                            | 108,020                | 125,045        | 228,876        |
|                                             | 196,048,338            | 225,779,348    | 273,781,946    |
| Chinese Mainland . . . . .                  | 35,857,122             | 43,015,390     | 58,562,497     |
|                                             | 231,905,460            | 268,794,738    | 332,344,443    |

**Contract liabilities**

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfillment of performance obligations.

**The Group**

As at 31 December 2023, 2024 and 2025, the Group recognized contract liabilities of RMB243,567,000, RMB262,508,000 and RMB931,292,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

|                                                                                                               | Year ended 31 December |         |         |
|---------------------------------------------------------------------------------------------------------------|------------------------|---------|---------|
|                                                                                                               | 2023                   | 2024    | 2025    |
|                                                                                                               | RMB'000                | RMB'000 | RMB'000 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year . . . . . | 496,495                | 228,323 | 226,119 |

**The Company**

As at 31 December 2023, 2024 and 2025, the Company recognized contract liabilities of RMB11,589,000, RMB14,096,000 and RMB7,709,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

|                                                                                                               | Year ended 31 December |         |         |
|---------------------------------------------------------------------------------------------------------------|------------------------|---------|---------|
|                                                                                                               | 2023                   | 2024    | 2025    |
|                                                                                                               | RMB'000                | RMB'000 | RMB'000 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year . . . . . | 11,684                 | 2,955   | 13,800  |

**(b) Transaction price allocated to the remaining performance obligations**

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 31 December 2023 and the expected timing of recognizing revenue are as follows:

|                                                          | Sales of products |
|----------------------------------------------------------|-------------------|
|                                                          | RMB'000           |
| Within one year . . . . .                                | 1,925,712         |
| More than one year but not more than two years . . . . . | 81,198            |
|                                                          | 2,006,910         |

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 31 December 2024 and the expected timing of recognizing revenue are as follows:

|                                                          | Sales of products |
|----------------------------------------------------------|-------------------|
|                                                          | <i>RMB'000</i>    |
| Within one year . . . . .                                | 3,728,922         |
| More than one year but not more than two years . . . . . | 606,421           |
| More than two years . . . . .                            | 18,797            |
|                                                          | <u>4,354,140</u>  |

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 31 December 2025 and the expected timing of recognizing revenue are as follows:

|                                                          | Sales of products |
|----------------------------------------------------------|-------------------|
|                                                          | <i>RMB'000</i>    |
| Within one year . . . . .                                | 7,892,031         |
| More than one year but not more than two years . . . . . | 146,142           |
|                                                          | <u>8,038,173</u>  |

## 7 EXPENSES BY NATURE

|                                                                         | Year ended 31 December |                    |                    |
|-------------------------------------------------------------------------|------------------------|--------------------|--------------------|
|                                                                         | 2023                   | 2024               | 2025               |
|                                                                         | <i>RMB'000</i>         | <i>RMB'000</i>     | <i>RMB'000</i>     |
| Materials used for production and processing charges . . . . .          | 172,054,632            | 206,402,214        | 252,636,969        |
| Employee-related expenses . . . . .                                     | 19,981,308             | 24,387,870         | 36,851,200         |
| Depreciation and amortization . . . . .                                 | 10,496,584             | 11,148,610         | 13,730,232         |
| Changes in inventories of finished goods and work in progress . . . . . | 5,341,296              | 1,361,854          | (4,459,394)        |
| Material used for research and development . . . . .                    | 1,522,003              | 1,947,623          | 2,219,826          |
| Consumables and miscellaneous purchases . . . . .                       | 3,332,666              | 3,955,216          | 3,896,000          |
| Utilities . . . . .                                                     | 2,100,184              | 2,079,043          | 2,484,810          |
| Rental, repairs, inspection and housing expenses . . . . .              | 1,271,908              | 1,240,928          | 1,734,520          |
| Provision for inventory and contract fulfilment cost . . . . .          | 1,126,386              | 915,720            | 1,144,692          |
| Taxes and surcharges . . . . .                                          | 599,425                | 695,631            | 963,294            |
| Office expenses . . . . .                                               | 547,718                | 663,522            | 1,756,747          |
| Service fee from third parties . . . . .                                | 148,116                | 144,205            | 180,400            |
| Technology service fee . . . . .                                        | 206,100                | 71,461             | 300,765            |
| Tooling and fixture expenses . . . . .                                  | 549,793                | 751,536            | 833,851            |
| Professional service fee . . . . .                                      | 281,300                | 485,872            | 530,792            |
| Transportation and delivery expenses . . . . .                          | 144,941                | 145,004            | 182,660            |
| Listing expenses . . . . .                                              | —                      | —                  | 2,087              |
| Other expenses . . . . .                                                | 1,703,604              | 1,997,404          | 3,935,046          |
|                                                                         | <u>221,407,964</u>     | <u>258,393,713</u> | <u>318,924,497</u> |

(a) Depreciation of the Group's property, plant and equipment has been recognized as follows:

|                                                             | Year ended 31 December |                   |                   |
|-------------------------------------------------------------|------------------------|-------------------|-------------------|
|                                                             | 2023                   | 2024              | 2025              |
|                                                             | <i>RMB'000</i>         | <i>RMB'000</i>    | <i>RMB'000</i>    |
| Research and development expenses . . . . .                 | 1,038,630              | 872,854           | 932,695           |
| General and administrative expenses . . . . .               | 1,000,465              | 1,098,649         | 1,270,535         |
| Selling expenses . . . . .                                  | 15,823                 | 10,983            | 34,847            |
| Cost of inventories and contract fulfilment costs . . . . . | 8,031,817              | 8,664,534         | 10,455,922        |
|                                                             | <u>10,086,735</u>      | <u>10,647,020</u> | <u>12,693,999</u> |

(b) Amortization of the Group's intangible assets has been recognized as follows:

|                                                             | Year ended 31 December |                |                |
|-------------------------------------------------------------|------------------------|----------------|----------------|
|                                                             | 2023                   | 2024           | 2025           |
|                                                             | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Research and development expenses . . . . .                 | 14,284                 | 17,422         | 276,092        |
| General and administrative expenses . . . . .               | 75,537                 | 119,936        | 88,243         |
| Selling expenses . . . . .                                  | 2,146                  | 2,104          | 4,359          |
| Cost of inventories and contract fulfilment costs . . . . . | 78,362                 | 52,523         | 75,721         |
|                                                             | <u>170,329</u>         | <u>191,985</u> | <u>444,415</u> |

(c) Depreciation of the Group's right-of-use assets has been recognized as follows:

|                                                             | Year ended 31 December |                |                |
|-------------------------------------------------------------|------------------------|----------------|----------------|
|                                                             | 2023                   | 2024           | 2025           |
|                                                             | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Research and development expenses . . . . .                 | 18,594                 | 15,638         | 10,752         |
| General and administrative expenses . . . . .               | 65,146                 | 93,833         | 128,525        |
| Selling expenses . . . . .                                  | 1,039                  | 367            | 814            |
| Cost of inventories and contract fulfilment costs . . . . . | 154,413                | 198,599        | 451,360        |
|                                                             | <u>239,192</u>         | <u>308,437</u> | <u>591,451</u> |

(d) Depreciation of the Group's investment property has been recognized as follows:

|                                               | Year ended 31 December |                |                |
|-----------------------------------------------|------------------------|----------------|----------------|
|                                               | 2023                   | 2024           | 2025           |
|                                               | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| General and administrative expenses . . . . . | 328                    | 1,168          | 367            |
|                                               | <u>328</u>             | <u>1,168</u>   | <u>367</u>     |



**8 EMPLOYEE BENEFIT EXPENSES**

|                                                                                               | Year ended 31 December |                   |                   |
|-----------------------------------------------------------------------------------------------|------------------------|-------------------|-------------------|
|                                                                                               | 2023                   | 2024              | 2025              |
|                                                                                               | <i>RMB'000</i>         | <i>RMB'000</i>    | <i>RMB'000</i>    |
| Wages, salaries and bonuses . . . . .                                                         | 17,028,789             | 21,179,272        | 32,016,829        |
| Share-based compensation expenses<br>(Note 45) . . . . .                                      | 804,107                | 460,468           | 573,814           |
| Pension obligations, housing funds, medical<br>insurances and other social insurances . . . . | 1,497,708              | 2,054,715         | 3,068,229         |
| Other employee benefit expenses . . . . .                                                     | 650,704                | 693,415           | 1,192,328         |
|                                                                                               | <u>19,981,308</u>      | <u>24,387,870</u> | <u>36,851,200</u> |

**(a) Pension obligations, housing funds, medical insurances and other social insurances**

The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's full time employees in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government and liabilities in respect of benefits schemes are limited to the contribution payable in each year.

**(b) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2023 and 2024, and 2025, include 2, 2, 3 directors respectively, whose emoluments are disclosed in Note 8(c). Details of the remuneration of the remaining individuals during the years ended 31 December 2023 and 2024, and 2025 are as follows:

|                                                                                               | Year ended 31 December |                |                |
|-----------------------------------------------------------------------------------------------|------------------------|----------------|----------------|
|                                                                                               | 2023                   | 2024           | 2025           |
|                                                                                               | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Wages, salaries and bonuses . . . . .                                                         | 8,612                  | 18,898         | 21,934         |
| Share-based compensation expenses . . . . .                                                   | 21,288                 | 11,542         | 50,311         |
| Pension obligations, housing funds, medical<br>insurances and other social insurances . . . . | 645                    | 281            | 706            |
|                                                                                               | <u>30,545</u>          | <u>30,721</u>  | <u>72,951</u>  |

The highest paid individuals fell within the following bands:

|                                            | Year ended 31 December |          |          |
|--------------------------------------------|------------------------|----------|----------|
|                                            | 2023                   | 2024     | 2025     |
| <b>Emolument bands</b>                     |                        |          |          |
| HK\$1,000,001 to HK\$1,500,000 . . . . .   | —                      | —        | —        |
| HK\$1,500,001 to HK\$2,000,000 . . . . .   | —                      | —        | —        |
| HK\$2,000,001 to HK\$2,500,000 . . . . .   | —                      | —        | —        |
| HK\$2,500,001 to HK\$3,000,000 . . . . .   | —                      | —        | —        |
| HK\$3,000,001 to HK\$3,500,000 . . . . .   | —                      | —        | —        |
| HK\$3,500,001 to HK\$4,000,000 . . . . .   | —                      | —        | —        |
| HK\$4,000,001 to HK\$4,500,000 . . . . .   | —                      | —        | —        |
| HK\$4,500,001 to HK\$5,000,000 . . . . .   | —                      | —        | —        |
| HK\$5,000,001 to HK\$5,500,000 . . . . .   | —                      | 1        | —        |
| HK\$5,500,001 to HK\$6,000,000 . . . . .   | 2                      | 2        | —        |
| HK\$6,000,001 to HK\$6,500,000 . . . . .   | 2                      | 1        | —        |
| HK\$6,500,001 to HK\$7,000,000 . . . . .   | 1                      | —        | —        |
| HK\$7,000,001 to HK\$7,500,000 . . . . .   | —                      | 1        | 1        |
| HK\$7,500,001 to HK\$8,000,000 . . . . .   | —                      | —        | —        |
| HK\$8,000,001 to HK\$8,500,000 . . . . .   | —                      | —        | 3        |
| HK\$41,000,001 to HK\$41,500,000 . . . . . | —                      | —        | 1        |
|                                            | <u>5</u>               | <u>5</u> | <u>5</u> |

**(c) Details of emoluments in respect of the directors and supervisors of the Company**

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2023 are as follows:

| Name                    | Director's fee | Wages and salaries | Discretionary bonuses | Social security costs, housing benefits and employee welfare | Share-based compensation expenses | Total         |
|-------------------------|----------------|--------------------|-----------------------|--------------------------------------------------------------|-----------------------------------|---------------|
|                         | RMB'000        | RMB'000            | RMB'000               | RMB'000                                                      | RMB'000                           | RMB'000       |
| <b>Directors</b>        |                |                    |                       |                                                              |                                   |               |
| Wang Laichun . . . . .  | —              | 2,000              | —                     | —                                                            | —                                 | 2,000         |
| Wang Laisheng . . . . . | —              | 1,500              | —                     | —                                                            | —                                 | 1,500         |
| Wang Tao . . . . .      | —              | 1,446              | —                     | 219                                                          | 4,175                             | 5,840         |
| Li Wei . . . . .        | —              | 1,165              | —                     | 209                                                          | 4,133                             | 5,507         |
| Zhang Ying . . . . .    | 160            | —                  | —                     | —                                                            | —                                 | 160           |
| Liu Zhonghua . . . . .  | 160            | —                  | —                     | —                                                            | —                                 | 160           |
| Song Yuhong . . . . .   | 160            | —                  | —                     | —                                                            | —                                 | 160           |
|                         | <u>480</u>     | <u>6,111</u>       | <u>—</u>              | <u>428</u>                                                   | <u>8,308</u>                      | <u>15,327</u> |
| <b>Supervisors</b>      |                |                    |                       |                                                              |                                   |               |
| Xia Yanrong . . . . .   | —              | 741                | 473                   | 34                                                           | —                                 | 1,248         |
| Mo Rongying . . . . .   | —              | 801                | 785                   | 34                                                           | —                                 | 1,620         |
| Yi Peizan . . . . .     | —              | 129                | 10                    | 34                                                           | —                                 | 173           |
|                         | <u>—</u>       | <u>1,671</u>       | <u>1,268</u>          | <u>102</u>                                                   | <u>—</u>                          | <u>3,041</u>  |

# APPENDIX I

# ACCOUNTANTS' REPORT

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2024 are as follows:

| Name                   | Director's fee | Wages and salaries | Discretionary bonuses | Social security costs, housing benefits and employee welfare | Share-based compensation expenses | Total   |
|------------------------|----------------|--------------------|-----------------------|--------------------------------------------------------------|-----------------------------------|---------|
|                        | RMB'000        | RMB'000            | RMB'000               | RMB'000                                                      | RMB'000                           | RMB'000 |
| <b>Directors</b>       |                |                    |                       |                                                              |                                   |         |
| Wang Laichun. . . . .  | —              | 7,333              | —                     | —                                                            | —                                 | 7,333   |
| Wang Laisheng. . . . . | —              | 5,500              | —                     | —                                                            | —                                 | 5,500   |
| Wang Tao. . . . .      | —              | 1,411              | —                     | 226                                                          | 477                               | 2,114   |
| Li Wei. . . . .        | —              | 560                | —                     | 228                                                          | 477                               | 1,265   |
| Qian Jiwen. . . . .    | —              | 1,167              | —                     | 223                                                          | 1,861                             | 3,251   |
| Hao Jie. . . . .       | —              | 528                | —                     | 254                                                          | 1,426                             | 2,208   |
| Zhang Ying. . . . .    | 160            | —                  | —                     | —                                                            | —                                 | 160     |
| Hou Lingling. . . . .  | —              | —                  | —                     | —                                                            | —                                 | —       |
| Liu Zhonghua. . . . .  | 160            | —                  | —                     | —                                                            | —                                 | 160     |
| Song Yuhong. . . . .   | 160            | —                  | —                     | —                                                            | —                                 | 160     |
|                        | 480            | 16,499             | —                     | 931                                                          | 4,241                             | 22,151  |
| <b>Supervisors</b>     |                |                    |                       |                                                              |                                   |         |
| Xia Yanrong. . . . .   | —              | 1,006              | 410                   | 35                                                           | —                                 | 1,451   |
| Mo Rongying. . . . .   | —              | 801                | 739                   | 35                                                           | —                                 | 1,575   |
| Yi Peizan. . . . .     | —              | 163                | 22                    | 35                                                           | —                                 | 220     |
|                        | —              | 1,970              | 1,171                 | 105                                                          | —                                 | 3,246   |

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2025 are as follows:

| Name                   | Director's fee | Wages and salaries | Discretionary bonuses | Social security costs, housing benefits and employee welfare | Share-based compensation expenses | Total   |
|------------------------|----------------|--------------------|-----------------------|--------------------------------------------------------------|-----------------------------------|---------|
|                        | RMB'000        | RMB'000            | RMB'000               | RMB'000                                                      | RMB'000                           | RMB'000 |
| <b>Directors</b>       |                |                    |                       |                                                              |                                   |         |
| Wang Laichun. . . . .  | —              | 8,000              | —                     | —                                                            | —                                 | 8,000   |
| Wang Laisheng. . . . . | —              | 6,000              | —                     | 67                                                           | —                                 | 6,067   |
| Qian Jiwen. . . . .    | —              | 2,000              | —                     | 157                                                          | 6,082                             | 8,239   |
| Hao Jie. . . . .       | —              | 2,137              | —                     | 166                                                          | 5,800                             | 8,103   |
| Chen Weihang. . . . .  | —              | 101                | 144                   | 10                                                           | 94                                | 349     |
| Liu Zhonghua. . . . .  | 160            | —                  | —                     | —                                                            | —                                 | 160     |
| Song Yuhong. . . . .   | 160            | —                  | —                     | —                                                            | —                                 | 160     |
| Hou Lingling. . . . .  | 160            | —                  | —                     | —                                                            | —                                 | 160     |
|                        | 480            | 18,238             | 144                   | 400                                                          | 11,976                            | 31,238  |
| <b>Supervisors</b>     |                |                    |                       |                                                              |                                   |         |
| Xia Yanrong. . . . .   | —              | 953                | —                     | 35                                                           | —                                 | 988     |
| Mo Rongying. . . . .   | —              | 733                | —                     | 44                                                           | —                                 | 777     |
| Yi Peizan. . . . .     | —              | 134                | 24                    | 27                                                           | —                                 | 185     |
|                        | —              | 1,820              | 24                    | 106                                                          | —                                 | 1,950   |

*Notes:*

- (i) Wang Tao was appointed in 21 May 2021 and resigned in 27 June 2024.
- (ii) Li Wei was appointed in 21 May 2021 and resigned in 27 June 2024.
- (iii) Qian Jiwen was appointed in 27 June 2024.
- (iv) Hao Jie was appointed in 27 June 2024.
- (v) Hou Lingling was appointed in 27 June 2024.
- (vi) Zhang Ying was appointed in 18 May 2018 and resigned in 27 June 2024.
- (vii) Chen Weihang was appointed in 23 July 2025.
- (viii) Mo Rongying was resigned in November 2025.
- (ix) Xia Yanrong was resigned in November 2025.
- (x) Yi Peizan was resigned in November 2025.

**(d) Directors' retirement benefits and termination benefits**

No director's retirement or termination benefit subsisted at the end of each year disclosed or at any time during the Track Record Period.

**(e) Consideration provided to third parties for making available directors' services**

No consideration provided to third parties for making available director's services subsisted at the end of each year disclosed or at any time during the Track Record Period.

**(f) Information about borrowings, quasi-borrowings and other dealings in favor of directors, controlled bodies corporate by and controlled entities with such directors**

No borrowings, quasi-borrowings and other dealings in favor of directors, controlled bodies corporate by and controlled entities with such directors subsisted at the end of each year disclosed or at any time during the Track Record Period.

**(g) Directors' material interest in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of each year disclosed or at any time during the Track Record Period.

**9 OTHER INCOME**

|                                                                           | Year ended 31 December |                  |                  |
|---------------------------------------------------------------------------|------------------------|------------------|------------------|
|                                                                           | 2023                   | 2024             | 2025             |
|                                                                           | RMB'000                | RMB'000          | RMB'000          |
| Government grants ( <i>Note a</i> ) . . . . .                             | 791,099                | 933,138          | 827,503          |
| Super-input value-added tax ("VAT") credit<br>( <i>Note b</i> ) . . . . . | 20,560                 | 50,879           | 44,103           |
| Compensation Income from Contract Default .                               | 70,247                 | 39,965           | 66,807           |
| Others . . . . .                                                          | 30,951                 | 22,045           | 68,775           |
|                                                                           | <u>912,857</u>         | <u>1,046,027</u> | <u>1,007,188</u> |

## Notes:

- (a) The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives to reward the Group's support and contribution for the development of local economies.
- (b) Super-input VAT credit amounted to RMB20,560,000 and RMB39,356,000 and RMB44,103,000 for the years ended 31 December 2023, 2024 and 2025 was recognized in consolidated statements of profit or loss and other comprehensive income due to the VAT reform. In accordance with the <關於先進製造業企業增值稅加計抵減政策的公告> (MOF & STA Announcement No. 43 2023), the Group meets the requirement of the Producer and Consumer Services Industries and are eligible for additional VAT credits by 5% of the current period creditable VAT input from 1 January 2023 to 31 December 2027.

**10 OTHER (LOSSES)/GAINS, NET**

|                                                                            | Year ended 31 December |                  |                  |
|----------------------------------------------------------------------------|------------------------|------------------|------------------|
|                                                                            | 2023                   | 2024             | 2025             |
|                                                                            | RMB'000                | RMB'000          | RMB'000          |
| Gain/(loss) on disposal of/written off PPE and intangible assets . . . . . | 105,092                | (1,616)          | (20,788)         |
| Gain on termination of right-of-use assets . . .                           | 1,258                  | 3,199            | 3,370            |
| Gain on disposal of subsidiaries/associates . . .                          | —                      | 10,019           | (2,404)          |
| Dividend income from financial asset at FVTOCI . . . . .                   | 265                    | —                | —                |
| Loss in disposal of financial asset . . . . .                              | (741,343)              | (795,497)        | (593,026)        |
| Bargain purchase gain (Note 48) . . . . .                                  | —                      | 368              | 479,317          |
| Change in fair value of financial assets/liabilities at FVTPL . . . . .    | 678,346                | 1,951,100        | 2,475,403        |
| Impairment loss for goodwill. . . . .                                      | (804)                  | —                | —                |
| Impairment loss on property, plant and equipment. . . . .                  | (191,676)              | (293,338)        | (320,394)        |
| Impairment loss for intangible asset. . . . .                              | —                      | —                | (90,077)         |
| Impairment loss on investment in associates. .                             | —                      | (36,411)         | —                |
| Foreign currency exchange (loss)/gain, net. . .                            | (72,796)               | 1,010,172        | (252,211)        |
|                                                                            | <u>(221,658)</u>       | <u>1,847,996</u> | <u>1,679,190</u> |

**11 IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL**

|                                                           | Year ended 31 December |               |               |
|-----------------------------------------------------------|------------------------|---------------|---------------|
|                                                           | 2023                   | 2024          | 2025          |
|                                                           | RMB'000                | RMB'000       | RMB'000       |
| <b>Impairment losses under ECL model, net of reversal</b> |                        |               |               |
| Trade receivables and contract asset . . . . .            | (25,623)               | 11,572        | 38,616        |
| Note receivables . . . . .                                | (271)                  | 112           | 100           |
| Other receivables . . . . .                               | 2,620                  | (1,596)       | 15,766        |
|                                                           | <u>(23,274)</u>        | <u>10,088</u> | <u>54,482</u> |

Details of impairment losses under ECL model are set out in Note 3.1(b) to the Historical Financial Information.

**12 FINANCE COSTS—NET**

|                                                           | Year ended 31 December |                    |                    |
|-----------------------------------------------------------|------------------------|--------------------|--------------------|
|                                                           | 2023                   | 2024               | 2025               |
|                                                           | RMB'000                | RMB'000            | RMB'000            |
| Finance income:                                           |                        |                    |                    |
| Bank interest income ( <i>Note a</i> ) . . . . .          | 1,005,581              | 968,280            | 997,716            |
|                                                           | <u>1,005,581</u>       | <u>968,280</u>     | <u>997,716</u>     |
| Finance costs:                                            |                        |                    |                    |
| Interest expenses on bank borrowings . . . . .            | (1,186,819)            | (1,234,031)        | (1,403,065)        |
| Interest expenses on lease liabilities . . . . .          | (27,150)               | (36,018)           | (96,847)           |
| Interest expenses on short term financing bills . . . . . | (42,925)               | (61,901)           | (69,610)           |
| Interest expenses on medium-term notes . . . . .          | —                      | —                  | (60,152)           |
| Interest expenses on convertible bonds . . . . .          | (119,976)              | (130,703)          | (135,437)          |
|                                                           | <u>(1,376,870)</u>     | <u>(1,462,653)</u> | <u>(1,765,111)</u> |
| Finance costs—net . . . . .                               | <u>(371,289)</u>       | <u>(494,373)</u>   | <u>(767,395)</u>   |

*Note:*

- (a) Interest income represents interest income from cash and cash equivalent, including bank balances and term deposits which could be withdrawn or transferred on demand.

**13 INCOME TAX EXPENSE****(a) Income tax expense**

|                                                  | Year ended 31 December |                  |                  |
|--------------------------------------------------|------------------------|------------------|------------------|
|                                                  | 2023                   | 2024             | 2025             |
|                                                  | RMB'000                | RMB'000          | RMB'000          |
| Current income tax . . . . .                     | 1,024,939              | 1,318,435        | 1,773,553        |
| Deferred income tax ( <i>Note 23</i> ) . . . . . | (383,110)              | 211,260          | (393,932)        |
|                                                  | <u>641,829</u>         | <u>1,529,695</u> | <u>1,379,621</u> |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

***Hong Kong***

The Group's subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to 1 April 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars (“HKD”) 2 million and 16.5% for any assessable profits in excess. Since the subsidiary did not have assessable profits during the Track Record Period, no Hong Kong profits tax has been provided.

***Chinese Mainland***

In accordance with the Enterprise Income Tax Law (“EIT Law”), Foreign Investment Enterprises (“FIEs”) and domestic companies established in Chinese Mainland are subject to Enterprise Income Tax (“EIT”) at a rate of 25%.



Besides, certain Group's subsidiaries benefit from a preferential tax rate of 15% under the EIT Law if they are qualified as "High and New technology enterprises" under relevant regulations or located in applicable PRC regions, such as certain western regions and special economic zone, as specified in the relevant catalog of encouraged industries, subject to certain general restrictions described in the EIT Law and the related regulations.

### *Corporate income tax in other jurisdictions*

Income tax on profit arising from other jurisdictions, including Singapore and Vietnam has been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, ranging within 30% for the Track Record Period.

### *OECD Pillar Two model rules*

The Group is within the scope of the Pillar Two model rules released by the Organization for Economic Co-operation and Development ("OECD"). The Pillar Two legislation had become effective in certain jurisdictions on 1 January 2024 during the Track Record Period. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12. Under the Pillar Two legislation, the Group is liable to pay a top-up tax for difference between its Global Anti-Base Erosion ("GloBE") effective tax rate in each jurisdiction and the 15% minimum rate.

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Group as follows:

|                                                                                                | Year ended 31 December |             |             |
|------------------------------------------------------------------------------------------------|------------------------|-------------|-------------|
|                                                                                                | 2023                   | 2024        | 2025        |
|                                                                                                | RMB'000                | RMB'000     | RMB'000     |
| Profit before income tax . . . . .                                                             | 12,885,042             | 16,108,739  | 19,549,858  |
| Income tax expenses computed at the<br>statutory income tax rate of 25% . . . . .              | 3,221,261              | 4,027,185   | 4,887,465   |
| Tax effect of:                                                                                 |                        |             |             |
| Preferential tax rate . . . . .                                                                | (1,288,505)            | (1,610,874) | (1,954,986) |
| Effect of different tax rates of subsidiaries<br>operating in other jurisdictions . . . . .    | (189,044)              | (3,979)     | 189,933     |
| Under/(over) provision of current tax in prior<br>years . . . . .                              | (13,916)               | (6,069)     | (9,365)     |
| Tax effect of non-taxable income . . . . .                                                     | (301,763)              | (531,028)   | (974,798)   |
| Tax effect of non-deductible expenses . . . . .                                                | 57,627                 | 17,282      | 24,550      |
| Utilization of previously unrecognized tax<br>losses and temporary differences . . . . .       | (434,037)              | (294,706)   | (529,950)   |
| Tax effect of temporary difference not<br>recognised . . . . .                                 | 239,243                | 476,185     | 482,149     |
| Change in opening deferred tax asset/liability<br>balance due to tax rate adjustment . . . . . | 244                    | —           | 9,483       |
| Tax effect of additional deduction for eligible<br>research and development expense . . . . .  | (633,931)              | (646,391)   | (793,370)   |
| Tax Incentives for Employment of Key<br>Groups/Key Group Employment Tax<br>Credits . . . . .   | (6,146)                | (6,660)     | (10,845)    |
| Pillar Two—Income Tax ( <i>Note</i> ) . . . . .                                                | —                      | 107,509     | 40,308      |
| Others . . . . .                                                                               | (9,204)                | 1,241       | 19,047      |
| Income tax expense . . . . .                                                                   | 641,829                | 1,529,695   | 1,379,621   |

Note:

The Group is subject to the jurisdictional implementation of the Global Anti-Base Erosion (GloBE) Model Rules under OECD's Pillar Two framework ("Pillar Two"). During FY2024, subsidiaries in Vietnam implemented the relevant Pillar Two regulations. Based on currently available information, the Group has assessed the potential risk exposure and recognized current tax expense amounted RMB107.5 million. During 2025, subsidiaries in Hong Kong, Taiwan and Vietnam implemented the relevant Pillar Two regulations. Based on currently available information, the Group has assessed the potential risk exposure and recognised current tax expense amounted RMB19.6 million in Hong Kong, RMB 12.2 million in Taiwan and RMB 8.5 million in Vietnam.

#### (b) Tax losses

As at 31 December 2023, 2024, and 2025, the Group did not recognize deferred income tax assets in respect of losses of RMB6,319 million, RMB9,341 million and RMB15,283 million respectively. The tax losses incurred from the Company's subsidiaries in Chinese Mainland that are not recognized as deferred tax assets will expire from 2023 to 2035. Tax losses of the Company's subsidiaries incorporated outside Chinese Mainland will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

|                                                | As at 31 December |                  |                   |
|------------------------------------------------|-------------------|------------------|-------------------|
|                                                | 2023              | 2024             | 2025              |
|                                                | RMB'000           | RMB'000          | RMB'000           |
| Expiry year                                    |                   |                  |                   |
| 2024 . . . . .                                 | 67,782            | —                | —                 |
| 2025 . . . . .                                 | 317,442           | 129,889          | —                 |
| 2026 . . . . .                                 | 1,297,595         | 1,058,738        | 617,613           |
| 2027 . . . . .                                 | 1,271,499         | 1,242,058        | 955,135           |
| 2028 . . . . .                                 | 753,800           | 764,097          | 698,644           |
| 2029 . . . . .                                 | 71,548            | 1,435,891        | 710,931           |
| 2030 . . . . .                                 | 364,373           | 364,373          | 1,498,258         |
| 2031 . . . . .                                 | 416,859           | 468,544          | 258,352           |
| 2032 . . . . .                                 | 743,914           | 2,152,455        | 1,671,621         |
| 2033 . . . . .                                 | 1,002,851         | 1,002,851        | 712,315           |
| 2034 . . . . .                                 | —                 | 673,587          | 407,572           |
| 2035 . . . . .                                 | —                 | —                | 668,374           |
| Permanently (Outside Chinese Mainland) . . . . | 10,842            | 48,832           | 7,085,144         |
|                                                | <u>6,318,505</u>  | <u>9,341,315</u> | <u>15,283,959</u> |

The deductible temporary differences of the Group not recognised as deferred tax assets mainly consist of unused tax losses. As at 31 December 2023, 31 December 2024 and 31 December 2025, the Group had unused tax losses of RMB6,318,505,000, RMB9,341,315,000 and RMB15,283,959,000 respectively, available to offset against future profits, and had not been recognised as at 31 December 2023, 2024 and 2025, respectively, due to the unpredictability of future profit streams.

## 14 EARNINGS PER SHARE

#### (a) Basic earnings per share

Basic earnings per share for the years ended 31 December 2023, 2024 and 2025 calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

|                                                                                                                                          | Year ended 31 December |                |                |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|----------------|
|                                                                                                                                          | 2023                   | 2024           | 2025           |
|                                                                                                                                          | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Profit for the year attributable to owners of the Company . . . . .                                                                      | 10,952,657             | 13,365,651     | 16,599,770     |
| Weighted average number of ordinary shares in issue for the purpose of calculating basic earnings per share ( <i>thousand shares</i> ) . | 7,130,453              | 7,190,856      | 7,253,028      |
| Basic earnings per share ( <i>RMB per share</i> ) . . .                                                                                  | 1.54                   | 1.86           | 2.29           |

**(b) Diluted earnings per share**

The calculation of the diluted earnings per share attribute to owners of the Company is based on the following data:

|                                                                              | Year ended 31 December |                |                |
|------------------------------------------------------------------------------|------------------------|----------------|----------------|
|                                                                              | 2023                   | 2024           | 2025           |
|                                                                              | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Profit for the year attributed to owners of the Company . . . . .            | 10,952,657             | 13,365,651     | 16,599,770     |
| Effect of share options issued by subsidiaries ( <i>Note</i> ) . . . . .     | (33,298)               | (32,942)       | (52,734)       |
| Earnings for the purpose of calculating diluted earnings per share . . . . . | 10,919,359             | 13,332,709     | 16,547,036     |

*Note:* During the Track Record Period, the effect of share options issued by subsidiaries is related to the share options issued by its subsidiaries disclosed in Note 45.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential diluted ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

|                                                                                                                                                           | Year ended 31 December |                |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|----------------|
|                                                                                                                                                           | 2023                   | 2024           | 2025           |
|                                                                                                                                                           | <i>RMB'000</i>         | <i>RMB'000</i> | <i>RMB'000</i> |
| Profit for the year attributable to owners of the Company ( <i>RMB'000</i> ) . . . . .                                                                    | 10,919,359             | 13,332,709     | 16,547,036     |
| Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share ( <i>thousand shares</i> ) ( <i>Note</i> ) . . . . . | 7,172,807              | 7,223,636      | 7,345,758      |
| Diluted earnings per share ( <i>RMB per share</i> ) . .                                                                                                   | 1.52                   | 1.85           | 2.25           |

*Note:* During the track record period, for the convertible bond that issued by the Group disclosed in Note 37, it is not included in the calculation of diluted earnings per share as it is anti-dilutive.

## 15 SUBSIDIARIES

## (a) Subsidiaries of the Company

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries.

The list of significant subsidiaries is as follows:

| Name of subsidiaries                                                                         | Place of incorporation/<br>establishment and kind<br>of legal entity | Date of<br>incorporation/<br>establishment | Authorised shares<br>capital/ registered<br>capital | Equity interest attributable to the Group |          |                        |          |       |       | Principal activities                 | Place of<br>operation |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------|-------------------------------------------|----------|------------------------|----------|-------|-------|--------------------------------------|-----------------------|
|                                                                                              |                                                                      |                                            |                                                     | As at 31 December 2023                    |          |                        |          |       |       |                                      |                       |
|                                                                                              |                                                                      |                                            |                                                     | As at 31 December 2024                    |          | As at 31 December 2025 |          |       |       |                                      |                       |
| Direct                                                                                       | Indirect                                                             | Direct                                     | Indirect                                            | Direct                                    | Indirect | Direct                 | Indirect |       |       |                                      |                       |
| Ri Shan Computer Accessories (Jia Shan) Co., Ltd.<br>(日善電腦配件(嘉善)有限公司) (note a)(e)) . . . . . | The PRC<br>limited liability<br>company                              | 2015.06.15                                 | RMB1,437,684,000                                    | —                                         | 49.75    | —                      | 49.75    | —     | 49.75 | R&D, Processing and<br>Manufacturing | The PRC               |
| Luxshare iTech (Zhejiang) Co., LTD. (立訊智造(浙江)有限公司) (note a) . . . . .                        | The PRC<br>limited liability<br>company                              | 2019.04.08                                 | RMB730,000,000                                      | 100                                       | —        | 100                    | —        | 100   | —     | R&D, Processing and<br>Manufacturing | The PRC               |
| Luxshare Precision Industry (Chuzhou) Co., Ltd. (立訊精密工業(滁州)有限公司) (note b) . . . . .          | The PRC<br>limited liability<br>company                              | 2014.03.24                                 | RMB758,000,000                                      | 100                                       | —        | 100                    | —        | 100   | —     | R&D, Processing and<br>Manufacturing | The PRC               |
| Luxcase Precision Technology (Yancheng) Co., Ltd.<br>(立錫精密科技(鹽城)有限公司) (note a)(e)) . . . . . | The PRC<br>limited liability<br>company                              | 2017.09.27                                 | RMB6,264,312,296                                    | 49.75                                     | —        | 49.75                  | —        | 49.75 | —     | R&D, Processing and<br>Manufacturing | The PRC               |
| Lanto Electronic Limited (昆山聯滔電子有限公司)(note a) . . . . .                                      | The PRC<br>limited liability<br>company                              | 2004.04.23                                 | RMB2,320,000,000                                    | 100                                       | —        | 100                    | —        | 100   | —     | R&D, Processing and<br>Manufacturing | The PRC               |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd.<br>(江西立訊智達有限公司)(note a) . . . . .         | The PRC<br>limited liability<br>company                              | 2015.12.25                                 | RMB1,000,000,000                                    | 100                                       | —        | 100                    | —        | 100   | —     | R&D, Processing and<br>Manufacturing | The PRC               |
| Luxis Technology Limited (香港立芯科技有限公司)(note d) . . . . .                                      | Hong Kong<br>limited liability<br>company                            | 2021.04.23                                 | USD1,500,000                                        | —                                         | 100      | —                      | 100      | —     | 100   | Trading Enterprises                  | Hong Kong             |
| Luxshare Precision Limited (立訊精密有限公司) (note d) . . . . .                                     | Hong Kong<br>limited liability<br>company                            | 2011.05.05                                 | USD5,000,000                                        | 100                                       | —        | 100                    | —        | 100   | —     | Trading Enterprises                  | Hong Kong             |
| Luxshare-ICT (Van Trung) Company Limited (立訊精密(雲中)有限公司) (note d) . . . . .                   | Vietnam<br>limited liability<br>company                              | 2019.09.05                                 | VND55,360,000                                       | —                                         | 100      | —                      | 100      | —     | 100   | Processing and Manufacturing         | Vietnam               |
| Luxshare-ICT (Vietnam) Company Limited (立訊精密(越南)有限公司) (note d) . . . . .                     | Vietnam<br>limited liability<br>company                              | 2016.10.05                                 | VND64,000,000                                       | —                                         | 100      | —                      | 100      | —     | 100   | Processing and Manufacturing         | Vietnam               |
| CASETEK SINGAPORE PTE. LTD. (note (d) (e)) . . . . .                                         | Singapore<br>limited liability<br>company                            | 2019.09.12                                 | USD730,000                                          | —                                         | 49.75    | —                      | 49.75    | —     | 49.75 | Trading Enterprises                  | Singapore             |

| Name of subsidiaries                                                                                                                        | Place of incorporation/<br>establishment and kind<br>of legal entity | Date of<br>incorporation/<br>establishment | Authorised shares<br>capital/ registered<br>capital | Equity interest attributable to the Group |          |                        |          |                        |          | Principal activities              | Place of<br>operation |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------|-------------------------------------------|----------|------------------------|----------|------------------------|----------|-----------------------------------|-----------------------|
|                                                                                                                                             |                                                                      |                                            |                                                     | As at 31 December 2023                    |          | As at 31 December 2024 |          | As at 31 December 2025 |          |                                   |                       |
|                                                                                                                                             |                                                                      |                                            |                                                     | Direct                                    | Indirect | Direct                 | Indirect | Direct                 | Indirect |                                   |                       |
| Kunming Luxshare Technology Co., Ltd. (昆明立訊科技有限公司) (formerly known as Kunming Wenxun Industrial Co., Ltd. (昆明聞訊實業有限公司)) (note (c)). . . . . | The PRC limited liability company                                    | 2020.01.14                                 | RMB 4,000,000,000                                   | —                                         | —        | —                      | —        | 100                    | —        | Processing and Manufacturing      | The PRC               |
| Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd. (立訊智造科技(常熟)有限公司) (note(c)). . . . .                                        | The PRC limited liability company                                    | 2019.10.24                                 | RMB 1,300,000,000                                   | 100                                       | —        | 100                    | —        | 100                    | —        | R&D, Processing and Manufacturing | The PRC               |

## Notes:

- (a) The statutory financial statements of the PRC subsidiaries of Company have been audited by BDO China Shu Lun Pan Certified Public Accountants LLP, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2023, 2024 and 2025.
- (b) The statutory financial statements of the PRC subsidiaries of Company have been audited by BDO China Shu Lun Pan Certified Public Accountants LLP, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2023, and audited by other accounting firms, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2024 and 2025.
- (c) The statutory financial statements of the PRC subsidiaries of Company have been audited by other accounting firms, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2023, 2024 and 2025.
- (d) The statutory financial statements of oversea subsidiaries of Company have been audited by local accounting firms, in accordance with the local accounting standards for the years ended 31 December 2023, 2024 and 2025.
- (e) Pursuant to the unanimous action agreement with Zimu Limited, the Group has the ability to unilaterally direct the relevant activities of the Luxcase Precision Technology (Yancheng) Co., Ltd. (立鋁精密科技(鹽城)有限公司) and its subsidiaries, Ri Shan Computer Accessories (Jia Shan) Co., Ltd., and CASETEK SINGAPORE PTE. LTD. The powers of the investee's board of directors include, but are not limited to, approving the annual budget, business plan, and capital expenditure. There are a total of 5 seats on the board of directors, and the Group holds 3 of them. Additionally, the Group has the right to nominate the chairman of the board. This enables the Company to exert influence over the relevant activities directed by the voting rights of the investee's board of directors and to obtain variable returns through such rights.

**(b) Investments in subsidiaries**

| Investment in subsidiaries, at cost      | As of 31 December |                   |                   |
|------------------------------------------|-------------------|-------------------|-------------------|
|                                          | 2023              | 2024              | 2025              |
|                                          | <i>RMB'000</i>    | <i>RMB'000</i>    | <i>RMB'000</i>    |
| At the beginning of the year . . . . .   | 22,095,549        | 23,276,659        | 24,735,538        |
| Additions . . . . .                      | 1,577,943         | 1,481,270         | 6,057,916         |
| Capital reduction and disposal . . . . . | (396,833)         | (22,391)          | (996,048)         |
| At the end of the year . . . . .         | <u>23,276,659</u> | <u>24,735,538</u> | <u>29,797,406</u> |

**16 INVESTMENT IN ASSOCIATES****The Group**

|                                                                                                    | As at 31 December |                  |                   |
|----------------------------------------------------------------------------------------------------|-------------------|------------------|-------------------|
|                                                                                                    | 2023              | 2024             | 2025              |
|                                                                                                    | <i>RMB'000</i>    | <i>RMB'000</i>   | <i>RMB'000</i>    |
| At the beginning of the year . . . . .                                                             | 1,880,941         | 4,100,064        | 7,343,629         |
| Transfer from subsidiaries to associates . . . . .                                                 | —                 | —                | 117,765           |
| Additions . . . . .                                                                                | 235,000           | 9,138            | 315,066           |
| Dividends . . . . .                                                                                | —                 | —                | (149,849)         |
| Capital reduction and disposal . . . . .                                                           | —                 | (23,959)         | (23,896)          |
| Provision for impairment ( <i>Note</i> ) . . . . .                                                 | —                 | (36,411)         | —                 |
| Share of post-acquisition profits, other equity movements and other comprehensive income . . . . . | 1,985,306         | 3,299,425        | 4,270,299         |
| Exchange difference . . . . .                                                                      | (1,183)           | (4,628)          | 2,655             |
| At the end of the year . . . . .                                                                   | <u>4,100,064</u>  | <u>7,343,629</u> | <u>11,875,669</u> |

*Note:* The Group assesses whether there is objective evidence that investment in associates is impaired once the indicator appears. As of 31 December 2024, one associate of the Group experienced continued losses and the management of the Group performed impairment assessments and determined the recoverable amount of the investment based on its value in use. Based on the management's assessment result, a total impairment loss of RMB 36,411,000 was recognized as of 31 December 2024. As of 31 December 2025, no further indicator was noticed.

**The Company**

|                                                                                                    | As at 31 December |                |                |
|----------------------------------------------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                                                    | 2023              | 2024           | 2025           |
|                                                                                                    | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| At the beginning of the year . . . . .                                                             | 237,534           | 325,340        | 291,167        |
| Additions . . . . .                                                                                | 112,500           | —              | —              |
| Capital reduction and disposal . . . . .                                                           | —                 | (23,959)       | —              |
| Share of post-acquisition profits, other equity movements and other comprehensive income . . . . . | (24,694)          | (10,214)       | (8,157)        |
| At the end of the year . . . . .                                                                   | <u>325,340</u>    | <u>291,167</u> | <u>283,010</u> |



**Aggregate information of associates that are not individually material:**

|                                                                                                      | As at 31 December |                |                |
|------------------------------------------------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                                                      | 2023              | 2024           | 2025           |
|                                                                                                      | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Aggregate carrying amount of the Group's associates in the Historical Financial Information. . . . . | 4,100,064         | 7,343,629      | 11,875,669     |
|                                                                                                      |                   |                |                |
|                                                                                                      | As at 31 December |                |                |
|                                                                                                      | 2023              | 2024           | 2025           |
|                                                                                                      | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Share of post-acquisition profits and other comprehensive income. . . . .                            | 2,020,904         | 3,294,982      | 4,238,567      |

**17 INVESTMENT IN JOINT VENTURES****The Group**

|                                                                           | As at 31 December |                |                |
|---------------------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                           | 2023              | 2024           | 2025           |
|                                                                           | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| At the beginning of the year . . . . .                                    | 119,067           | 132,878        | 144,667        |
| Dividends. . . . .                                                        | —                 | (10,000)       | (15,122)       |
| Share of post-acquisition profits and other comprehensive income. . . . . | 15,860            | 17,145         | 14,028         |
| Exchange difference . . . . .                                             | (2,049)           | 4,644          | (9,545)        |
| At the end of the year. . . . .                                           | 132,878           | 144,667        | 134,028        |

**Aggregate information of joint venture that is not individually material:**

|                                                                                                          | As at 31 December |                |                |
|----------------------------------------------------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                                                          | 2023              | 2024           | 2025           |
|                                                                                                          | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Aggregate carrying amount of the Group's joint ventures in the Historical Financial Information. . . . . | 132,878           | 144,667        | 134,028        |
|                                                                                                          |                   |                |                |
|                                                                                                          | As at 31 December |                |                |
|                                                                                                          | 2023              | 2024           | 2025           |
|                                                                                                          | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Dividend paid. . . . .                                                                                   | —                 | 10,000         | 15,122         |
| Share of post-acquisition profits and other comprehensive income. . . . .                                | 15,860            | 17,145         | 14,028         |

## 18 PROPERTY, PLANT AND EQUIPMENT

## Cost

|                                                  | Land and Buildings | Office Equipment | Machinery and Equipment | Computer Equipment | Production Support Equipment | Transportation Vehicles | Other Equipment | Molds and Tooling | Construction in progress | Leasehold improvements | Others  | Total       |
|--------------------------------------------------|--------------------|------------------|-------------------------|--------------------|------------------------------|-------------------------|-----------------|-------------------|--------------------------|------------------------|---------|-------------|
|                                                  | RMB'000            | RMB'000          | RMB'000                 | RMB'000            | RMB'000                      | RMB'000                 | RMB'000         | RMB'000           | RMB'000                  | RMB'000                | RMB'000 | RMB'000     |
| At 1 January 2023 . . . . .                      | 13,776,281         | 348,923          | 32,046,640              | 378,144            | 2,960,205                    | 94,727                  | 9,188,808       | 5,897,963         | 2,695,377                | 1,623,050              | 302,120 | 69,312,238  |
| Additions . . . . .                              | 237,692            | 95,972           | 4,178,527               | 30,610             | 513,725                      | 12,759                  | 2,483,304       | 380,263           | 2,613,130                | 136,044                | 110,765 | 10,792,791  |
| Transfer from construction in progress . . . . . | 1,121,416          | 4                | 974,351                 | 218                | 74,895                       | 1,699                   | 1,032,337       | 490,089           | (3,695,009)              | —                      | —       | —           |
| Transfer from investment properties . . . . .    | 78,129             | —                | —                       | —                  | —                            | —                       | —               | —                 | —                        | —                      | —       | 78,129      |
| Transfer to construction in progress . . . . .   | —                  | —                | (750,831)               | —                  | (38,744)                     | —                       | (95,562)        | (71,491)          | 683,121                  | —                      | —       | (273,507)   |
| Disposals . . . . .                              | (16,759)           | (9,976)          | (844,119)               | (20,808)           | (164,510)                    | (9,769)                 | (182,299)       | (194,408)         | —                        | —                      | —       | (1,442,648) |
| Exchange difference . . . . .                    | (19,838)           | 6,268            | (38,039)                | (21,034)           | 35,195                       | 187                     | (15,210)        | (57,535)          | (70,403)                 | —                      | —       | (180,409)   |
| At 31 December 2023 and                          |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| 1 January 2024 . . . . .                         | 15,176,921         | 441,191          | 35,566,529              | 367,130            | 3,380,766                    | 99,603                  | 12,411,378      | 6,444,881         | 2,226,216                | 1,759,094              | 412,885 | 78,286,594  |
| Additions . . . . .                              | 317,562            | 148,105          | 7,076,195               | 56,308             | 655,156                      | 24,722                  | 1,372,220       | 1,451,763         | 6,071,057                | 333,367                | 164,504 | 17,670,959  |
| Acquired through business combinations . . . . . | 477,965            | 33,294           | 2,539,003               | 30,036             | 3,788                        | 696                     | 11,550          | —                 | 58,899                   | —                      | —       | 3,155,231   |
| Transfer from construction in progress . . . . . | 1,236,098          | 5,452            | 724,430                 | 170                | 101,525                      | —                       | 465,833         | 311,668           | (2,845,176)              | —                      | —       | —           |
| Transfer to construction in progress . . . . .   | —                  | —                | (478)                   | —                  | —                            | —                       | (1,883)         | (3,860)           | 690                      | —                      | —       | (5,531)     |
| Disposals . . . . .                              | (1,806)            | (16,179)         | (435,330)               | (14,373)           | (247,537)                    | (5,477)                 | (410,777)       | (236,547)         | —                        | —                      | —       | (1,368,026) |
| Exchange difference . . . . .                    | (227,738)          | (12,707)         | (103,269)               | 7,891              | (81,955)                     | (461)                   | (24,895)        | (84,323)          | (132,502)                | —                      | —       | (659,959)   |
| At 31 December 2024 and                          |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| 1 January 2025 . . . . .                         | 16,979,002         | 599,156          | 45,367,080              | 447,162            | 3,811,743                    | 119,083                 | 13,823,426      | 7,883,582         | 5,379,184                | 2,092,461              | 577,389 | 97,079,268  |
| Additions . . . . .                              | 671,969            | 348,353          | 9,004,610               | 80,188             | 872,642                      | 47,732                  | 2,287,392       | 881,428           | 5,900,422                | 249,094                | 113,776 | 20,457,606  |
| Acquired through business combinations . . . . . | 6,122,719          | 620,776          | 4,952,194               | 17,118             | 33,789                       | 8,247                   | 120,746         | 18,764            | 456,082                  | 9,861                  | 2,723   | 12,363,019  |
| Transfer from construction in progress . . . . . | 3,633,606          | 43,937           | 1,225,020               | 6,111              | 28,354                       | 6,188                   | 521,746         | 388,479           | (6,190,257)              | 335,054                | 1,762   | —           |
| Disposals . . . . .                              | (464,496)          | (201,744)        | (1,852,742)             | (13,059)           | (159,402)                    | (5,632)                 | (272,455)       | (312,316)         | (1,147,911)              | —                      | —       | (4,429,757) |
| Exchange difference . . . . .                    | (202,084)          | (42,920)         | (469,244)               | 2,972              | (6,511)                      | (721)                   | (200,007)       | (68,227)          | (107,260)                | —                      | —       | (1,094,002) |
| At 31 December 2025 . . . . .                    | 26,740,716         | 1,367,558        | 58,226,918              | 540,492            | 4,580,615                    | 174,897                 | 16,280,848      | 8,791,710         | 4,290,260                | 2,686,470              | 695,650 | 124,376,134 |

## Depreciation

|                                                | Land and Buildings | Office Equipment | Machinery and Equipment | Computer Equipment | Production Support Equipment | Transportation Vehicles | Other Equipment | Molds and Tooling | Construction in progress | Leasehold improvements | Others  | Total      |
|------------------------------------------------|--------------------|------------------|-------------------------|--------------------|------------------------------|-------------------------|-----------------|-------------------|--------------------------|------------------------|---------|------------|
|                                                | RMB'000            | RMB'000          | RMB'000                 | RMB'000            | RMB'000                      | RMB'000                 | RMB'000         | RMB'000           | RMB'000                  | RMB'000                | RMB'000 | RMB'000    |
| At 1 January 2023 . . . . .                    | 2,364,414          | 162,894          | 10,132,127              | 174,691            | 1,046,643                    | 51,242                  | 3,569,015       | 2,259,730         | —                        | 939,774                | 174,482 | 20,875,012 |
| Provided for the year . . . . .                | 709,629            | 64,176           | 4,610,848               | 52,831             | 623,132                      | 12,064                  | 2,067,302       | 1,479,297         | —                        | 348,995                | 118,461 | 10,086,735 |
| Transfer from investment properties . . . . .  | 8,438              | —                | —                       | —                  | —                            | —                       | —               | —                 | —                        | —                      | —       | 8,438      |
| Transfer to construction in progress . . . . . | —                  | —                | (175,879)               | —                  | (14,746)                     | —                       | (36,042)        | (46,840)          | —                        | —                      | —       | (273,507)  |
| Disposals . . . . .                            | (8,001)            | (3,859)          | (325,060)               | (4,913)            | (140,003)                    | (3,330)                 | (65,835)        | (132,267)         | —                        | —                      | —       | (683,268)  |
| Exchange difference . . . . .                  | 10,982             | 6,379            | 7,966                   | (19,079)           | 25,034                       | (1,502)                 | (882)           | (48,968)          | —                        | —                      | —       | (20,070)   |

|                                                  | Land and Buildings | Office Equipment | Machinery and Equipment | Computer Equipment | Production Support Equipment | Transportation Vehicles | Other Equipment | Molds and Tooling | Construction in progress | Leasehold improvements | Others  | Total       |
|--------------------------------------------------|--------------------|------------------|-------------------------|--------------------|------------------------------|-------------------------|-----------------|-------------------|--------------------------|------------------------|---------|-------------|
|                                                  | RMB'000            | RMB'000          | RMB'000                 | RMB'000            | RMB'000                      | RMB'000                 | RMB'000         | RMB'000           | RMB'000                  | RMB'000                | RMB'000 | RMB'000     |
| At 31 December 2023 and                          |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| 1 January 2024 . . . . .                         | 3,085,462          | 229,590          | 14,250,002              | 203,530            | 1,540,060                    | 58,474                  | 5,533,558       | 3,510,952         | —                        | 1,288,769              | 292,943 | 29,993,340  |
| Provided for the year . . . . .                  | 779,723            | 73,216           | 4,915,438               | 55,399             | 578,658                      | 13,349                  | 2,447,793       | 1,465,308         | —                        | 229,213                | 88,923  | 10,647,020  |
| Acquired through business combinations . . . . . | 237,717            | 20,572           | 1,791,608               | 19,753             | 1,226                        | 357                     | 7,962           | —                 | —                        | —                      | —       | 2,079,195   |
| Transfer to construction in progress . . . . .   | —                  | —                | (95)                    | —                  | —                            | —                       | (1,800)         | (3,636)           | —                        | —                      | —       | (5,531)     |
| Disposals . . . . .                              | (874)              | (11,271)         | (332,623)               | (10,509)           | (154,258)                    | (4,825)                 | (262,293)       | (194,511)         | —                        | —                      | —       | (971,164)   |
| Exchange difference . . . . .                    | 869                | (7,528)          | (49,012)                | 4,072              | (58,860)                     | (247)                   | (59,054)        | (24,841)          | —                        | —                      | —       | (194,601)   |
| At 31 December 2024 and                          |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| 1 January 2025 . . . . .                         | 4,102,897          | 304,579          | 20,575,318              | 272,245            | 1,906,826                    | 67,108                  | 7,666,166       | 4,753,272         | —                        | 1,517,982              | 381,866 | 41,548,259  |
| Provided for the year . . . . .                  | 1,012,670          | 210,934          | 6,379,897               | 66,947             | 675,116                      | 17,267                  | 2,547,948       | 1,316,170         | —                        | 251,207                | 215,843 | 12,693,999  |
| Disposals . . . . .                              | (9,212)            | (188,838)        | (1,215,803)             | (11,867)           | (83,891)                     | (4,669)                 | (144,494)       | (223,064)         | —                        | —                      | —       | (1,881,838) |
| Exchange difference . . . . .                    | (57,555)           | (33,464)         | (197,775)               | 2,269              | 6,785                        | (369)                   | (118,747)       | (33,302)          | —                        | —                      | 3       | (432,155)   |
| At 31 December 2025 . . . . .                    | 5,048,800          | 293,211          | 25,541,637              | 329,594            | 2,504,836                    | 79,337                  | 9,950,873       | 5,813,076         | —                        | 1,769,189              | 597,712 | 51,928,265  |
| <b>Impairment</b>                                |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| At 1 January 2023 . . . . .                      | 63,257             | 1,861            | 347,496                 | 260                | 10,157                       | 43                      | 26,091          | 43,141            | —                        | —                      | —       | 492,306     |
| Provided for the year . . . . .                  | —                  | 4                | 144,040                 | 1,149              | 17,422                       | —                       | 26,703          | 2,358             | —                        | —                      | —       | 191,676     |
| Disposals . . . . .                              | —                  | (58)             | (146,741)               | (94)               | (16,980)                     | —                       | (9,253)         | (21,122)          | —                        | —                      | —       | (194,248)   |
| Exchange difference . . . . .                    | —                  | (1,796)          | 5,551                   | 3                  | (2,107)                      | —                       | 900             | (2,550)           | —                        | —                      | —       | 1           |
| At 31 December 2023 and                          |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| 1 January 2024 . . . . .                         | 63,257             | 11               | 350,346                 | 1,318              | 8,492                        | 43                      | 44,441          | 21,827            | —                        | —                      | —       | 489,735     |
| Provided for the year . . . . .                  | —                  | 6                | 264,961                 | 246                | 5,335                        | —                       | 13,195          | 9,595             | —                        | —                      | —       | 293,338     |
| Acquired through business combinations . . . . . | —                  | 68               | 4,674                   | 76                 | —                            | —                       | 34              | —                 | —                        | —                      | —       | 4,852       |
| Disposals . . . . .                              | —                  | (2)              | (11,045)                | (178)              | (7,459)                      | —                       | (407)           | (21,109)          | —                        | —                      | —       | (40,200)    |
| Exchange difference . . . . .                    | —                  | —                | —                       | —                  | —                            | —                       | (6)             | —                 | —                        | —                      | —       | (6)         |
| At 31 December 2024 and                          |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| 1 January 2025 . . . . .                         | 63,257             | 83               | 608,936                 | 1,462              | 6,368                        | 43                      | 57,257          | 10,313            | —                        | —                      | —       | 747,719     |
| Provided for the year . . . . .                  | 92,593             | 650              | 168,344                 | 716                | 22,601                       | 25                      | 12,899          | 22,567            | —                        | —                      | —       | 320,395     |
| Disposals . . . . .                              | —                  | (40)             | (189,051)               | (487)              | (15,154)                     | (85)                    | (17,754)        | (5,431)           | —                        | —                      | —       | (228,002)   |
| Exchange difference . . . . .                    | (1,192)            | —                | (44)                    | —                  | —                            | —                       | (1)             | (2)               | —                        | —                      | —       | (1,239)     |
| At 31 December 2025 . . . . .                    | 154,658            | 693              | 588,185                 | 1,691              | 13,815                       | (17)                    | 52,401          | 27,447            | —                        | —                      | —       | 838,873     |
| <b>Net book value</b>                            |                    |                  |                         |                    |                              |                         |                 |                   |                          |                        |         |             |
| At 31 December 2023 . . . . .                    | 12,028,202         | 211,590          | 20,966,181              | 162,282            | 1,832,214                    | 41,086                  | 6,833,379       | 2,912,102         | 2,226,216                | 470,325                | 119,942 | 47,803,519  |

|                     | Land and Buildings | Office Equipment | Machinery and Equipment | Computer Equipment | Production Support Equipment | Transportation Vehicles | Other Equipment | Molds and Tooling | Construction in progress | Leasehold improvements | Others  | Total      |
|---------------------|--------------------|------------------|-------------------------|--------------------|------------------------------|-------------------------|-----------------|-------------------|--------------------------|------------------------|---------|------------|
|                     | RMB'000            | RMB'000          | RMB'000                 | RMB'000            | RMB'000                      | RMB'000                 | RMB'000         | RMB'000           | RMB'000                  | RMB'000                | RMB'000 | RMB'000    |
| At 31 December 2024 | 12,812,848         | 294,494          | 24,182,826              | 173,455            | 1,898,549                    | 51,932                  | 6,100,003       | 3,119,997         | 5,379,184                | 574,479                | 195,523 | 54,783,290 |
| At 31 December 2025 | 21,537,258         | 1,073,654        | 32,097,096              | 209,207            | 2,061,964                    | 95,577                  | 6,277,574       | 2,951,187         | 4,290,260                | 917,281                | 97,938  | 71,608,996 |

The impairment primarily relates to machinery and equipment that have become obsolete due to technological upgrades. For the impairment test of above individual fixed assets, the Company determined the recoverable amount based on the fair value less costs to sell. The key assumption used in determining the recoverable amount is the scrap value price. Based on the results of the impairment test, the Company made an impairment loss of RMB192 million, RMB293 million and RMB320 million on the aforementioned individual fixed assets for the year ended 31 December 2023, 2024 and 2025 respectively.

#### The Company

##### Cost

|                                        | Buildings | Office Equipment | Machinery and Equipment | Computer Equipment | Production Support Equipment | Transportation Vehicles | Other Equipment | Molds and Tooling | Construction in progress | Leasehold improvements | Total    |
|----------------------------------------|-----------|------------------|-------------------------|--------------------|------------------------------|-------------------------|-----------------|-------------------|--------------------------|------------------------|----------|
|                                        | RMB'000   | RMB'000          | RMB'000                 | RMB'000            | RMB'000                      | RMB'000                 | RMB'000         | RMB'000           | RMB'000                  | RMB'000                | RMB'000  |
| At 1 January 2023                      | 5,576     | 3,690            | 148,702                 | 32,820             | 13,085                       | 6,144                   | 77,063          | 11,127            | 6,477                    | —                      | 304,684  |
| Additions                              | —         | 6                | 14,257                  | 7,015              | —                            | 123                     | 3,286           | —                 | 5,249                    | 8,796                  | 38,732   |
| Transfer from construction in progress | —         | —                | 7,353                   | —                  | —                            | —                       | 248             | —                 | (7,891)                  | —                      | (290)    |
| Disposals                              | (165)     | (17)             | (6,787)                 | (1,919)            | (136)                        | (176)                   | (2,591)         | (243)             | (9)                      | —                      | (12,043) |
| At 31 December 2023 and 1 January 2024 | 5,411     | 3,679            | 163,525                 | 37,916             | 12,949                       | 6,091                   | 78,006          | 10,884            | 3,826                    | 8,796                  | 331,083  |
| Additions                              | —         | —                | 21,542                  | 45                 | 14                           | 45                      | 12,247          | 192               | 11,438                   | —                      | 45,523   |
| Transfer from construction in progress | —         | —                | 6,040                   | —                  | —                            | —                       | 334             | —                 | (6,374)                  | —                      | —        |
| Disposals                              | —         | (24)             | (15,185)                | (538)              | (455)                        | (978)                   | (10,825)        | (233)             | (105)                    | —                      | (28,343) |
| At 31 December 2024 and 1 January 2025 | 5,411     | 3,655            | 175,922                 | 37,423             | 12,508                       | 5,158                   | 79,762          | 10,843            | 8,785                    | 8,796                  | 348,263  |
| Additions                              | —         | —                | 51,590                  | 263                | —                            | 341                     | 23,581          | 2,095             | 62,430                   | 6,154                  | 146,454  |
| Transfer from construction in progress | —         | —                | 5,087                   | —                  | —                            | —                       | 1,033           | —                 | (6,120)                  | —                      | —        |
| Disposals                              | —         | —                | (27,343)                | (679)              | (565)                        | (971)                   | (2,291)         | (830)             | (3,140)                  | —                      | (35,819) |
| At 31 December 2025                    | 5,411     | 3,655            | 205,256                 | 37,007             | 11,943                       | 4,528                   | 102,085         | 12,108            | 61,955                   | 14,950                 | 458,898  |

|                                        | Buildings | Office Equipment | Machinery and Equipment | Computer Equipment | Production Support Equipment | Transportation Vehicles | Other Equipment | Molds and Tooling | Construction in progress | Leasehold improvements | Total    |
|----------------------------------------|-----------|------------------|-------------------------|--------------------|------------------------------|-------------------------|-----------------|-------------------|--------------------------|------------------------|----------|
|                                        | RMB'000   | RMB'000          | RMB'000                 | RMB'000            | RMB'000                      | RMB'000                 | RMB'000         | RMB'000           | RMB'000                  | RMB'000                | RMB'000  |
| <b>Depreciation</b>                    |           |                  |                         |                    |                              |                         |                 |                   |                          |                        |          |
| At 1 January 2023                      | 3,947     | 3,213            | 58,063                  | 15,567             | 7,148                        | 4,239                   | 42,602          | 6,973             | —                        | —                      | 141,752  |
| Provided for the year                  | 243       | 79               | 16,960                  | 5,065              | 1,364                        | 485                     | 9,037           | 1,897             | —                        | 1,469                  | 36,599   |
| Disposals                              | (149)     | (15)             | (3,664)                 | (1,244)            | (85)                         | (158)                   | (1,650)         | (219)             | —                        | —                      | (7,184)  |
| At 31 December 2023 and 1 January 2024 | 4,041     | 3,277            | 71,359                  | 19,388             | 8,427                        | 4,566                   | 49,989          | 8,651             | —                        | 1,469                  | 171,167  |
| Provided for the year                  | 243       | 14               | 17,412                  | 4,451              | 803                          | 301                     | 7,952           | 1,107             | —                        | 1,614                  | 33,897   |
| Disposals                              | —         | (13)             | (7,200)                 | (484)              | (394)                        | (720)                   | (7,861)         | (210)             | —                        | —                      | (16,882) |
| At 31 December 2024 and 1 January 2025 | 4,284     | 3,278            | 81,571                  | 23,355             | 8,836                        | 4,147                   | 50,080          | 9,548             | —                        | 3,083                  | 188,182  |
| Provided for the year                  | 243       | 7                | 16,080                  | 4,438              | 578                          | 244                     | 9,478           | 350               | —                        | 1,991                  | 33,409   |
| Disposals                              | —         | —                | (8,250)                 | (611)              | (501)                        | (874)                   | (2,014)         | (83)              | —                        | —                      | (12,333) |
| At 31 December 2025                    | 4,527     | 3,285            | 89,401                  | 27,182             | 8,913                        | 3,517                   | 57,544          | 9,815             | —                        | 5,074                  | 209,258  |
| <b>Impairment</b>                      |           |                  |                         |                    |                              |                         |                 |                   |                          |                        |          |
| At 31 December 2023 and 1 January 2024 | —         | —                | —                       | —                  | —                            | —                       | —               | —                 | —                        | —                      | —        |
| Provided for the year                  | —         | —                | 14,299                  | —                  | —                            | —                       | —               | —                 | —                        | —                      | 14,299   |
| At 31 December 2024 and 1 January 2025 | —         | —                | 14,299                  | —                  | —                            | —                       | —               | —                 | —                        | —                      | 14,299   |
| Disposals                              | —         | —                | (14,299)                | —                  | —                            | —                       | —               | —                 | —                        | —                      | (14,299) |
| At 31 December 2025                    | —         | —                | —                       | —                  | —                            | —                       | —               | —                 | —                        | —                      | —        |
| <b>Net book value</b>                  |           |                  |                         |                    |                              |                         |                 |                   |                          |                        |          |
| At 31 December 2023                    | 1,370     | 402              | 92,166                  | 18,528             | 4,522                        | 1,525                   | 28,017          | 2,233             | 3,826                    | 7,327                  | 159,916  |
| At 31 December 2024                    | 1,127     | 377              | 80,052                  | 14,068             | 3,672                        | 1,011                   | 29,682          | 1,295             | 8,785                    | 5,713                  | 145,782  |
| At 31 December 2025                    | 884       | 370              | 115,855                 | 9,825              | 3,030                        | 1,011                   | 44,541          | 2,293             | 61,955                   | 9,876                  | 249,640  |

Note:

(a) Certain property, plant and equipment as at 31 December 2023, 2024 and 2025 respectively were pledged to secure bank borrowing and facilities granted to the Group (Note 49).

## 19 INVESTMENT PROPERTIES

## The Group

|                                                  | Buildings | Land    | Total    |
|--------------------------------------------------|-----------|---------|----------|
|                                                  | RMB'000   | RMB'000 | RMB'000  |
| <b>Costs</b>                                     |           |         |          |
| At 1 January 2023 . . . . .                      | 88,325    | 18,217  | 106,542  |
| Transfer to PPE . . . . .                        | (71,656)  | (6,473) | (78,129) |
| Exchange difference . . . . .                    | 357       | 330     | 687      |
| At 31 December 2023 and 1 January 2024 . . . . . | 17,026    | 12,074  | 29,100   |
| Additions . . . . .                              | 3,820     | 9,229   | 13,049   |
| Exchange difference . . . . .                    | 384       | 46      | 430      |
| At 31 December 2024 and 1 January 2025 . . . . . | 21,230    | 21,349  | 42,579   |
| Additions . . . . .                              | 55,258    | 8,302   | 63,560   |
| Disposal . . . . .                               | —         | (97)    | (97)     |
| Exchange difference . . . . .                    | 33        | (30)    | 3        |
| At 31 December 2025 . . . . .                    | 76,521    | 29,524  | 106,045  |
| <b>Depreciation</b>                              |           |         |          |
| At 1 January 2023 . . . . .                      | 13,760    | —       | 13,760   |
| Provided for the year . . . . .                  | 328       | —       | 328      |
| Transfer to PPE . . . . .                        | (8,438)   | —       | (8,438)  |
| Exchange difference . . . . .                    | 96        | —       | 96       |
| At 31 December 2023 and 1 January 2024 . . . . . | 5,746     | —       | 5,746    |
| Provided for the year . . . . .                  | 1,168     | —       | 1,168    |
| At 31 December 2024 and 1 January 2025 . . . . . | 6,914     | —       | 6,914    |
| Provided for the year . . . . .                  | 367       | —       | 367      |
| Exchange difference . . . . .                    | 276       | —       | 276      |
| At 31 December 2025 . . . . .                    | 7,557     | —       | 7,557    |
| <b>Net book value</b>                            |           |         |          |
| At 31 December 2023 . . . . .                    | 11,280    | 12,074  | 23,354   |
| At 31 December 2024 . . . . .                    | 14,316    | 21,349  | 35,665   |
| At 31 December 2025 . . . . .                    | 68,964    | 29,524  | 98,488   |

The Group's investment properties consist of two industrial properties and five residential properties situated in Thailand, and one industrial property situated in Taiwan. Management has determined that the investment properties constitute two classes of assets, based on the nature, characteristics and risks of each property.

The fair value of investment properties as at 31 Dec 2023 are referring to the fair value of investment properties situated in Taiwan. The fair value was based on the assessment by independent professionally qualified valuer 中華不動產估價師聯合事務所, at RMB45,059,000 using the direct comparison method, by reference to recent sales prices of comparable properties in nearby locations, adjusted for size, condition, tenure and market trends.

The fair value of investment properties as at 31 Dec 2024 are referring to the fair value of investment properties situated in Taiwan. The fair value was based on the assessment by management at RMB89,885,000 using the direct comparison method, by reference to recent sales prices of comparable properties in nearby locations, adjusted for size.



The fair value of investment properties as at 31 Dec 2025 are referring to the fair value of investment properties situated in both Taiwan and Thailand. For investment properties in Taiwan, the fair value was based on assessment by independent valuer, 中華不動產估價師聯合事務所, at RMB 89,101,000 using the direct comparison method, by reference to recent sales prices of comparable properties in nearby locations, adjusted for size, condition, tenure and market trends. For the investment properties in Thailand, which was acquired in 2025, with fair value estimated at RMB 63,644,000 based on the acquisition price.

## 20 LEASES

### (a) Amounts recognized in the consolidated statements of financial positions

The consolidated statements of financial positions show the following amounts relating to leases:

| The Group                         | As at 31 December |                  |                  |
|-----------------------------------|-------------------|------------------|------------------|
|                                   | 2023              | 2024             | 2025             |
|                                   | RMB'000           | RMB'000          | RMB'000          |
| <b>Right-of-use assets</b>        |                   |                  |                  |
| Buildings . . . . .               | 647,355           | 834,425          | 2,651,559        |
| Land use right . . . . .          | 1,786,231         | 1,958,152        | 2,516,792        |
| Office equipment . . . . .        | —                 | —                | 52,094           |
| Machinery and equipment . . . . . | 594               | 22,889           | 51,832           |
| Transportation vehicles . . . . . | 1,014             | 1,175            | 6,490            |
|                                   | <u>2,435,194</u>  | <u>2,816,641</u> | <u>5,278,767</u> |
| <b>Lease liabilities</b>          |                   |                  |                  |
| —Current . . . . .                | 129,208           | 153,947          | 587,396          |
| —Non-current . . . . .            | 552,489           | 727,983          | 2,352,693        |
|                                   | <u>681,697</u>    | <u>881,930</u>   | <u>2,940,089</u> |

*Notes:*

- (i) Additions to buildings, land use right, office equipment, machinery and equipment and transportation vehicles during the years ended 31 December 2023, 2024 and 2025 were approximately RMB275,863,000, RMB408,571,000 and RMB723,284,000, respectively.
- (ii) Certain land use rights were pledged to secure bank borrowings and facilities granted to the Group (Note 47).

The consolidated statements of profit or loss and other comprehensive income show the following amounts relating to leases:

| The Company                | As at 31 December |         |         |
|----------------------------|-------------------|---------|---------|
|                            | 2023              | 2024    | 2025    |
|                            | RMB'000           | RMB'000 | RMB'000 |
| <b>Right-of-use assets</b> |                   |         |         |
| Buildings . . . . .        | 41,694            | 37,622  | 21,937  |
| Land use right . . . . .   | 224,654           | 218,026 | 211,398 |
|                            | 266,348           | 255,648 | 233,335 |
| <b>Lease liabilities</b>   |                   |         |         |
| —Current . . . . .         | 18,610            | 21,496  | 14,173  |
| —Non-current . . . . .     | 27,210            | 19,970  | 10,267  |
|                            | 45,820            | 41,466  | 24,440  |

| The Company                                      | As at 31 December |                |                |
|--------------------------------------------------|-------------------|----------------|----------------|
|                                                  | 2023              | 2024           | 2025           |
|                                                  | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Depreciation of right-of-use assets . . . . .    | 25,161            | 24,629         | 26,361         |
| Interest expense . . . . .                       | 2,074             | 1,472          | 1,217          |
| Expense relating to short-term leases . . . . .  | 12,978            | 13,570         | 13,378         |
| Gain on termination of right-of-use assets . . . | —                 | —              | 92             |

The Group leases various buildings for operation. Rental contracts of the leasehold buildings are typically made according to contracts by contracts ranging from one year to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

*Movement of right-of-use assets*

| The Group                                  | Buildings | Land use right | Office equipment | Machinery and Equipment | Transportation Vehicles | Total     |
|--------------------------------------------|-----------|----------------|------------------|-------------------------|-------------------------|-----------|
|                                            | RMB'000   | RMB'000        | RMB'000          | RMB'000                 | RMB'000                 | RMB'000   |
| <b>Cost</b>                                |           |                |                  |                         |                         |           |
| At 1 January 2023. . . . .                 | 1,161,016 | 2,020,868      | —                | 8,955                   | 140                     | 3,190,979 |
| Additions . . . . .                        | 160,985   | 66,189         | —                | 47,613                  | 1,076                   | 275,863   |
| Termination of right-of-use assets . . . . | (450,499) | —              | —                | (53,591)                | —                       | (504,090) |
| Exchange difference. . . . .               | 9,412     | (15,570)       | —                | —                       | 3                       | (6,155)   |
| At 31 December 2023 and                    |           |                |                  |                         |                         |           |
| 1 January 2024 . . . . .                   | 880,914   | 2,071,487      | —                | 2,977                   | 1,219                   | 2,956,597 |
| Additions . . . . .                        | 264,001   | 143,951        | —                | —                       | 619                     | 408,571   |
| Acquired through business combinations .   | 285,811   | 110,558        | —                | 26,864                  | —                       | 423,233   |
| Termination of right-of-use assets . . . . | (156,500) | —              | —                | (3,344)                 | —                       | (159,844) |
| Exchange difference. . . . .               | 3,241     | (12,279)       | —                | 13,273                  | 7                       | 4,242     |
| At 31 December 2024 and                    |           |                |                  |                         |                         |           |
| 1 January 2025 . . . . .                   | 1,277,467 | 2,313,717      | —                | 39,770                  | 1,845                   | 3,632,799 |
| Additions . . . . .                        | 570,672   | 117,607        | 15,727           | 17,513                  | 1,765                   | 723,284   |
| Acquired through business combinations .   | 1,853,965 | 564,847        | 53,862           | 24,917                  | 5,608                   | 2,503,199 |
| Modification . . . . .                     | (28,163)  | —              | —                | —                       | —                       | (28,163)  |
| Termination of right-of-use assets . . . . | (320,971) | (15,256)       | (16,800)         | (26,915)                | (1,498)                 | (381,440) |
| Exchange difference. . . . .               | 11,540    | (34,556)       | (2,193)          | (870)                   | (303)                   | (26,382)  |
| At 31 December 2025. . . . .               | 3,364,510 | 2,946,359      | 50,596           | 54,415                  | 7,417                   | 6,423,297 |
|                                            |           |                |                  |                         |                         |           |
| The Group                                  | Buildings | Land use right | Office equipment | Machinery and Equipment | Transportation Vehicles | Total     |
|                                            | RMB'000   | RMB'000        | RMB'000          | RMB'000                 | RMB'000                 | RMB'000   |
| <b>Depreciation</b>                        |           |                |                  |                         |                         |           |
| At 1 January 2023. . . . .                 | 220,153   | 235,086        | —                | 8,168                   | 41                      | 463,448   |
| Provided for the year . . . . .            | 144,034   | 62,801         | —                | 32,194                  | 163                     | 239,192   |
| Termination of right-of-use assets . . . . | (129,806) | —              | —                | (37,979)                | —                       | (167,785) |
| Exchange difference. . . . .               | (822)     | (12,631)       | —                | —                       | 1                       | (13,452)  |
| At 31 December 2023 and                    |           |                |                  |                         |                         |           |
| 1 January 2024 . . . . .                   | 233,559   | 285,256        | —                | 2,383                   | 205                     | 521,403   |
| Provided for the year . . . . .            | 233,578   | 68,100         | —                | 6,294                   | 465                     | 308,437   |
| Acquired through business combinations .   | 112,144   | 3,502          | —                | 10,163                  | —                       | 125,809   |
| Termination of right-of-use assets . . . . | (137,841) | —              | —                | (3,229)                 | —                       | (141,070) |
| Exchange difference. . . . .               | 1,602     | (1,293)        | —                | 1,270                   | —                       | 1,579     |
| At 31 December 2024 and                    |           |                |                  |                         |                         |           |
| 1 January 2025 . . . . .                   | 443,042   | 355,565        | —                | 16,881                  | 670                     | 816,158   |
| Provided for the year . . . . .            | 482,875   | 77,106         | 16,261           | 13,261                  | 1,948                   | 591,451   |
| Termination of right-of-use assets . . . . | (230,181) | (109)          | (16,547)         | (26,902)                | (1,498)                 | (275,237) |
| Exchange difference. . . . .               | 17,215    | (2,995)        | (1,212)          | (657)                   | (193)                   | 12,158    |
| At 31 December 2025. . . . .               | 712,951   | 429,567        | (1,498)          | 2,583                   | 927                     | 1,144,530 |
|                                            |           |                |                  |                         |                         |           |
| <b>Net book value</b>                      |           |                |                  |                         |                         |           |
| At 31 December 2023. . . . .               | 647,355   | 1,786,231      | —                | 594                     | 1,014                   | 2,435,194 |
| At 31 December 2024. . . . .               | 834,425   | 1,958,152      | —                | 22,889                  | 1,175                   | 2,816,641 |
| At 31 December 2025. . . . .               | 2,651,559 | 2,516,792      | 52,094           | 51,832                  | 6,490                   | 5,278,767 |

# APPENDIX I

# ACCOUNTANTS' REPORT

| The Company                                         | Buildings | Land use right | Machinery and Equipment | Total   |
|-----------------------------------------------------|-----------|----------------|-------------------------|---------|
|                                                     | RMB'000   | RMB'000        | RMB'000                 | RMB'000 |
| <b>Cost</b>                                         |           |                |                         |         |
| At 1 January 2023 . . . . .                         | 88,977    | 232,619        | 2,723                   | 324,319 |
| Additions . . . . .                                 | —         | 2,839          | —                       | 2,839   |
| Termination of right-of-use assets . . . . .        | (532)     | —              | —                       | (532)   |
| At 31 December 2023 and<br>1 January 2024 . . . . . | 88,445    | 235,458        | 2,723                   | 326,626 |
| Additions . . . . .                                 | 15,539    | —              | —                       | 15,539  |
| Termination of right-of-use assets . . . . .        | (2,470)   | —              | (2,723)                 | (5,193) |
| Exchange difference . . . . .                       | (1,610)   | —              | —                       | (1,610) |
| At 31 December 2024 and<br>1 January 2025 . . . . . | 99,904    | 235,458        | —                       | 335,362 |
| Additions . . . . .                                 | 7,395     | —              | —                       | 7,395   |
| Termination of right-of-use assets . . . . .        | (4,671)   | —              | —                       | (4,671) |
| At 31 December 2025 . . . . .                       | 102,628   | 235,458        | —                       | 338,086 |
| <b>Depreciation</b>                                 |           |                |                         |         |
| At 1 January 2023 . . . . .                         | 28,689    | 4,214          | 2,723                   | 35,626  |
| Provided for the year . . . . .                     | 18,571    | 6,590          | —                       | 25,161  |
| Termination of right-of-use assets . . . . .        | (509)     | —              | —                       | (509)   |
| At 31 December 2023 and<br>1 January 2024 . . . . . | 46,751    | 10,804         | 2,723                   | 60,278  |
| Provided for the year . . . . .                     | 18,001    | 6,628          | —                       | 24,629  |
| Termination of right-of-use assets . . . . .        | (2,470)   | —              | (2,723)                 | (5,193) |
| At 31 December 2024 and<br>1 January 2025 . . . . . | 62,282    | 17,432         | —                       | 79,714  |
| Provided for the year . . . . .                     | 19,733    | 6,628          | —                       | 26,361  |
| Termination of right-of-use assets . . . . .        | (1,324)   | —              | —                       | (1,324) |
| At 31 December 2025 . . . . .                       | 80,691    | 24,060         | —                       | 104,751 |
| <b>Net book value</b>                               |           |                |                         |         |
| At 31 December 2023 . . . . .                       | 41,694    | 224,654        | —                       | 266,348 |
| At 31 December 2024 . . . . .                       | 37,622    | 218,026        | —                       | 255,648 |
| At 31 December 2025 . . . . .                       | 21,937    | 211,398        | —                       | 233,335 |

## 21 GOODWILL

| The Group                                               | As at 31 December |                  |                  |
|---------------------------------------------------------|-------------------|------------------|------------------|
|                                                         | 2023              | 2024             | 2025             |
|                                                         | RMB'000           | RMB'000          | RMB'000          |
| <b>Cost</b>                                             |                   |                  |                  |
| At the beginning of the year . . . . .                  | 1,766,342         | 1,766,342        | 1,922,926        |
| Acquisition of subsidiaries ( <i>Note a</i> ) . . . . . | —                 | 157,038          | 402,961          |
| Disposal of subsidiaries . . . . .                      | —                 | (454)            | (50,070)         |
| At the end of the year. . . . .                         | <u>1,766,342</u>  | <u>1,922,926</u> | <u>2,275,817</u> |
| <b>Impairment</b>                                       |                   |                  |                  |
| At the beginning of the year . . . . .                  | 36,295            | 37,099           | 37,099           |
| Impairment loss recognised ( <i>Note b</i> ) . . . . .  | 804               | —                | —                |
| Disposal. . . . .                                       | —                 | —                | (455)            |
| At the end of the year. . . . .                         | <u>37,099</u>     | <u>37,099</u>    | <u>36,644</u>    |
| <b>Carrying values</b>                                  |                   |                  |                  |
| At the end of the year. . . . .                         | <u>1,729,243</u>  | <u>1,885,827</u> | <u>2,239,173</u> |

## Notes:

- (a) Goodwill is recognized in connection with business acquisitions. The cost of goodwill increased from approximately RMB1,766 million as at 31 December 2023 to RMB1,923 million as at 31 December 2024. The increase of goodwill in 2023 is mainly due to the acquisition of Time Interconnect Technology Limited (“**Time Interconnect Group**”) and 深圳市華榮科技有限公司.

The cost of goodwill increased from approximately RMB1,923 million as at 31 December 2024 to RMB2,275 million as at 31 December 2025. The increase of goodwill in 2025 is mainly due to the acquisition of the Wingtech Other Mainland Consumer Electronics Businesses (“**Wingtech Other Mainland Consumer Electronics Businesses**”) (Note 48(c)(iv)).

- (b) As at 31 December 2023, management has determined that the 浙江普興電子科技有限公司 (浙江普興) CGU is expected to generate losses in the future. Therefore, the entire carrying amount of goodwill amounting to RMB804,000 related to this CGU has been fully impaired.

| The Company                                      | As at 31 December |               |               |
|--------------------------------------------------|-------------------|---------------|---------------|
|                                                  | 2023              | 2024          | 2025          |
|                                                  | RMB'000           | RMB'000       | RMB'000       |
| Carrying amount at the end of the year . . . . . | <u>53,174</u>     | <u>53,174</u> | <u>53,174</u> |

Goodwill arising from business combinations is allocated to the following CGUs for impairment testing:

- Lanto Electronic Limited (“**Lanto Kunshan**”)
- Luxcase Precision Technology (Yancheng) Co., Ltd. (“**Luxcase ICT Yancheng**”)
- Time Interconnect Technology Limited (“**Time Interconnect Group**”)
- Wingtech Other Mainland Consumer Electronics Businesses
- Others

|                                                                          | As at 31 December |                  |                  |
|--------------------------------------------------------------------------|-------------------|------------------|------------------|
|                                                                          | 2023              | 2024             | 2025             |
|                                                                          | <i>RMB'000</i>    | <i>RMB'000</i>   | <i>RMB'000</i>   |
| Lanto Kunshan CGU . . . . .                                              | 376,682           | 376,682          | 376,682          |
| Luxcase ICT Yancheng CGU . . . . .                                       | 814,785           | 814,785          | 814,785          |
| Time Interconnect Group CGU . . . . .                                    | 175,669           | 175,669          | 175,669          |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | —                 | —                | 210,734          |
| Other CGUs* . . . . .                                                    | 362,107           | 518,691          | 661,303          |
| At the end of the year . . . . .                                         | <u>1,729,243</u>  | <u>1,885,827</u> | <u>2,239,173</u> |

\* Other CGUs includes 26 individual CGUs, each with a carrying amount below 150 million

### Impairment test for goodwill and Internally Generated Technology

As stated in Note 2.2.16, goodwill would be tested for impairment annually, at the end of the reporting period. If the carrying amount exceeds its estimated recoverable amount, which is the higher of value in use and fair value less cost to sell, the difference of which would be recognized in profit and loss immediately.

Management conducted the impairment review on the goodwill and internally generated technology of the Group according to IAS 36 Impairment of Assets.

### Fair Value Less Cost to Sell

When assessing the impairment of goodwill for listed company, Time Interconnect Group CGU, the valuation technique to determine the recoverable amount is fair value less cost to sell. Fair value is based on the fair value of stocks issued in the public market.

Based on such valuation technique, no impairment of goodwill was identified.

### Value in Use

For remaining company, the valuation technique used to determine the recoverable amount of the groups (or groups of cash-generating units) are value in use. Value in use is calculated as present value of future cash flows, which is based on business plans approved by management. The business plan covers a five-year period and incorporates a risk-adjusted discount rate. Cash flows beyond that period are extrapolated using a steady growth rate and a terminal value.

Certain key assumptions were used in the calculation of value in use for the CGUs as at 31 December 2023, 2024 and 2025. The following set out the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill.

As at 31 December 2023, 2024 and 2025, the recoverable amounts of the CGU were determined from value-in-use calculations based on cash flow projections which were based on financial forecasts covering the expected life of 5 years of the operation. Management determined budgeted gross margin based on past performance and the expected future performance. The discount rates reflect the specific risks relating to the CGUs. The price of products and services sold by each CGU were with reference to current market information available at the time of impairment assessment.



The key assumptions of major goodwill are as below:

The cash flow projections covered a period approved by management as follows:

|                                                                          | As at 31 December |         |         |
|--------------------------------------------------------------------------|-------------------|---------|---------|
|                                                                          | 2023              | 2024    | 2025    |
| Lanto Kunshan CGU. . . . .                                               | 5 years           | 5 years | 5 years |
| Luxcase ICT Yancheng CGU. . . . .                                        | 5 years           | 5 years | 5 years |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A               | N/A     | 5 years |

The growth rate of revenue applied to the cash flow projections are as follows:

|                                                                          | As at 31 December |          |           |
|--------------------------------------------------------------------------|-------------------|----------|-----------|
|                                                                          | 2023              | 2024     | 2025      |
|                                                                          | %                 | %        | %         |
| Lanto Kunshan CGU. . . . .                                               | 1.0-2.1           | 1.0-1.06 | 1.0-1.06  |
| Luxcase ICT Yancheng CGU. . . . .                                        | 14.1-15.2         | 8.0-9.7  | -4.1-10.4 |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A               | N/A      | -31.0-8.0 |

This growth rate is based on the relevant industry growth forecast and terminal growth rate does not exceed the average long-term growth rate for the relevant industry.

The terminal growth rate used beyond the forecast period is zero.

The gross profit margin applied to the cash flow projections are as follows:

|                                                                          | As at 31 December |             |             |
|--------------------------------------------------------------------------|-------------------|-------------|-------------|
|                                                                          | 2023              | 2024        | 2025        |
|                                                                          | %                 | %           | %           |
| Lanto Kunshan CGU. . . . .                                               | 11.00-11.62       | 10.00-11.62 | 10.00-11.56 |
| Luxcase ICT Yancheng CGU. . . . .                                        | 4.55-4.73         | 4.50-4.68   | 5.30-7.21   |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A               | N/A         | 7.03-8.10   |

The pre-tax discount rate applied to the cash flow projections are as follows:

|                                                                          | As at 31 December |       |       |
|--------------------------------------------------------------------------|-------------------|-------|-------|
|                                                                          | 2023              | 2024  | 2025  |
|                                                                          | %                 | %     | %     |
| Lanto Kunshan CGU. . . . .                                               | 12.29             | 13.65 | 14.10 |
| Luxcase ICT Yancheng CGU. . . . .                                        | 13.50             | 14.84 | 12.88 |
| Wingtech Other Mainland Consumer<br>Electronics Businesses CGU . . . . . | N/A               | N/A   | 13.89 |

The pre-tax discount rate is the expected return of the Group's assets that reflects current market assessments of the time value of money and the specific risk associated with the CGU, after taking into account the weighted average cost of equity and debt.

### ***Lanto Kunshan CGU***

As of 31 December 2023, 2024 and 2025, the recoverable amount of Lanto Kunshan CGU is approximately RMB10,196 million, RMB9,447 million and RMB9,191 million, respectively. The headroom measured by the excess of the recoverable amount over the carrying amount of Lanto

Kunshan CGU was RMB4,704 million, RMB4,008 million and RMB4,449 million, as of 31 December 2023, 2024 and 2025, respectively. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Lanto Kunshan CGU was recognized as of 31 December 2023, 2024 and 2025.

Management of the Group have performed sensitivity test based on the assumption that the pre-tax discount rate, the annual growth rate of the revenue and the gross profit margin have been changed. The following table sets out the hypothetical change that would remove the remaining headroom:

|                                 | As of 31 December |        |        |
|---------------------------------|-------------------|--------|--------|
|                                 | 2023              | 2024   | 2025   |
| Revenue . . . . .               | -16.83%           | -6.55% | -4.07% |
| Pre-tax discount rate . . . . . | +9.55%            | +3.27% | +1.94% |
| Gross profit margin . . . . .   | -3.05%            | -2.45% | -2.62% |

Management of the Group believes that any reasonably possible changes in any of the key assumptions would not result in an impairment provision of goodwill.

#### ***Luxcase ICT Yancheng CGU***

As of 31 December 2023, 2024 and 2025, the recoverable amount of Luxcase ICT Yancheng CGU is approximately RMB29,763 million, RMB23,068 million and RMB25,514 million respectively. The headroom measured by the excess of the recoverable amount over the carrying amount of Luxcase ICT Yancheng CGU was RMB13,572 million, RMB5,160 million and RMB5,547 million as of 31 December 2023, 2024 and 2025, respectively. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Luxcase ICT Yancheng CGU was recognized as of 31 December 2023, 2024 and 2025.

Management of the Group have performed sensitivity test based on the assumption that the pre-tax discount rate, the annual growth rate of the revenue and the gross profit margin have been changed. The following table sets out the hypothetical change that would remove the remaining headroom:

|                                 | As of 31 December |         |         |
|---------------------------------|-------------------|---------|---------|
|                                 | 2023              | 2024    | 2025    |
| Revenue . . . . .               | -16.25%           | -12.81% | -13.76% |
| Pre-tax discount rate . . . . . | +9.72%            | +7.85%  | +7.82%  |
| Gross profit margin . . . . .   | -1.33%            | -0.6%   | -0.79%  |

Management of the Group believes that any reasonably possible changes in any of the key assumptions would not result in an impairment provision of goodwill.

#### ***Wingtech Other Mainland Consumer Electronics Businesses CGU***

The acquisition of Wingtech Other Mainland Consumer Electronics Businesses CGU was completed in July 2025. As of 31 December 2025, the recoverable amount of Wingtech Other Mainland Consumer Electronics Businesses CGU is approximately RMB3,122 million. The headroom measured by the excess of the recoverable amount over the carrying amount of Wingtech Other Mainland Consumer Electronics Businesses CGU was RMB52 million as of 31 December 2025. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Wingtech Other Mainland Consumer Electronics Businesses CGU was recognized as of 31 December 2025.

Management have undertaken sensitivity analysis on the impairment test of goodwill and identified a reasonably possible change in key parameters that would cause the carrying amount of the CGU to exceed its recoverable amount. The following table sets out the hypothetical change to pre-tax discount rate, the annual growth rate of revenue and the gross profit margin that would have removed the remaining headroom:

|                                 | As of 31 December |         |         |
|---------------------------------|-------------------|---------|---------|
|                                 | 2023              | 2024    | 2025    |
|                                 | RMB'000           | RMB'000 | RMB'000 |
| Revenue . . . . .               | N/A               | N/A     | -0.18%  |
| Pre-tax discount rate . . . . . | N/A               | N/A     | +0.11%  |
| Gross profit margin . . . . .   | N/A               | N/A     | -0.02%  |

## 22 INTANGIBLE ASSETS

| The Group                                           | Patent Rights | Non-patented Technology | Software | Customer Relationships<br>(Note (a)) | Internally Generated Technology<br>(Note (b)) | Others  | Total     |
|-----------------------------------------------------|---------------|-------------------------|----------|--------------------------------------|-----------------------------------------------|---------|-----------|
|                                                     | RMB'000       | RMB'000                 | RMB'000  | RMB'000                              | RMB'000                                       | RMB'000 | RMB'000   |
| <b>Costs</b>                                        |               |                         |          |                                      |                                               |         |           |
| At 1 January 2023 . . . . .                         | 194,363       | 94,473                  | 376,377  | 108,118                              | —                                             | 314     | 773,645   |
| Additions . . . . .                                 | 2,145         | 36,831                  | 84,450   | —                                    | —                                             | 267     | 123,693   |
| Disposals . . . . .                                 | (118)         | (509)                   | (39,168) | —                                    | —                                             | (168)   | (39,963)  |
| Exchange difference . . . . .                       | 6             | (14,511)                | 14,864   | 1,950                                | —                                             | (146)   | 2,163     |
| At 31 December 2023 and<br>1 January 2024 . . . . . | 196,396       | 116,284                 | 436,523  | 110,068                              | —                                             | 267     | 859,538   |
| Additions . . . . .                                 | 6,929         | 46,092                  | 116,939  | —                                    | —                                             | —       | 169,960   |
| Acquired through business combinations . .          | 3,053         | —                       | 22,636   | —                                    | —                                             | 420     | 26,109    |
| Disposals . . . . .                                 | —             | (1,107)                 | (7,260)  | —                                    | —                                             | —       | (8,367)   |
| Exchange difference . . . . .                       | (15)          | (2,224)                 | 131      | (4,043)                              | —                                             | 10      | (6,141)   |
| At 31 December 2024 and<br>1 January 2025 . . . . . | 206,363       | 159,045                 | 568,969  | 106,025                              | —                                             | 697     | 1,041,099 |
| Additions . . . . .                                 | 5,778         | 17,374                  | 195,089  | —                                    | —                                             | —       | 218,241   |
| Acquired through business combinations . .          | 442,464       | 60,786                  | 125,417  | 217                                  | 107,870                                       | 99,160  | 835,914   |
| Transfer from internally development . . .          | 74,489        | 5,553                   | —        | —                                    | (80,042)                                      | —       | —         |
| Internally development . . . . .                    | —             | —                       | —        | —                                    | 90,951                                        | —       | 90,951    |
| Disposals . . . . .                                 | (84,244)      | (3,945)                 | (6,317)  | —                                    | —                                             | —       | (94,506)  |
| Exchange difference . . . . .                       | (11,307)      | 11                      | 10,569   | 95                                   | —                                             | (891)   | (1,523)   |
| At 31 December 2025 . . . . .                       | 633,543       | 238,824                 | 893,727  | 106,337                              | 118,779                                       | 98,966  | 2,090,176 |

| The Group                                           | Patent Rights | Non-patented Technology | Software | Customer Relationships<br>(Note (a)) | Internally Generated Technology<br>(Note (b)) | Others  | Total    |
|-----------------------------------------------------|---------------|-------------------------|----------|--------------------------------------|-----------------------------------------------|---------|----------|
|                                                     | RMB'000       | RMB'000                 | RMB'000  | RMB'000                              | RMB'000                                       | RMB'000 | RMB'000  |
| <b>Depreciation</b>                                 |               |                         |          |                                      |                                               |         |          |
| At 1 January 2023 . . . . .                         | 32,275        | 42,988                  | 183,729  | 17,211                               | —                                             | 145     | 276,348  |
| Provided for the year . . . . .                     | 42,834        | 28,909                  | 88,716   | 9,745                                | —                                             | 125     | 170,329  |
| Disposals . . . . .                                 | (118)         | (479)                   | (36,830) | —                                    | —                                             | (25)    | (37,452) |
| Exchange difference . . . . .                       | 4             | (8,669)                 | 8,497    | 310                                  | —                                             | (139)   | 3        |
| At 31 December 2023 and<br>1 January 2024 . . . . . | 74,995        | 62,749                  | 244,112  | 27,266                               | —                                             | 106     | 409,228  |
| Provided for the year . . . . .                     | 44,124        | 43,182                  | 95,735   | 8,944                                | —                                             | —       | 191,985  |
| Acquired through business combinations . .          | —             | —                       | 16,112   | —                                    | —                                             | —       | 16,112   |

# APPENDIX I

# ACCOUNTANTS' REPORT

| The Group                                        | Patent Rights | Non-patented Technology | Software | Customer Relationships<br>(Note (a)) | Internally Generated Technology<br>(Note (b)) | Others  | Total     |
|--------------------------------------------------|---------------|-------------------------|----------|--------------------------------------|-----------------------------------------------|---------|-----------|
|                                                  | RMB'000       | RMB'000                 | RMB'000  | RMB'000                              | RMB'000                                       | RMB'000 | RMB'000   |
| Disposals . . . . .                              | —             | (618)                   | (4,455)  | —                                    | —                                             | —       | (5,073)   |
| Exchange difference . . . . .                    | (11)          | (825)                   | 45       | (1,002)                              | —                                             | 2       | (1,791)   |
| At 31 December 2024 and                          |               |                         |          |                                      |                                               |         |           |
| 1 January 2025 . . . . .                         | 119,108       | 104,488                 | 351,549  | 35,208                               | —                                             | 108     | 610,461   |
| Provided for the year. . . . .                   | 235,854       | 51,279                  | 146,831  | 10,451                               | —                                             | —       | 444,415   |
| Disposals . . . . .                              | (62,925)      | (2,755)                 | (5,662)  | —                                    | —                                             | —       | (71,342)  |
| Exchange difference . . . . .                    | (3,033)       | (1,726)                 | 2,039    | 32                                   | —                                             | (302)   | (2,990)   |
| At 31 December 2025 . . . . .                    | 289,004       | 151,286                 | 494,757  | 45,691                               | —                                             | (194)   | 980,544   |
| <b>Impairment</b>                                |               |                         |          |                                      |                                               |         |           |
| At 1 January 2023, 31 December 2023 and          |               |                         |          |                                      |                                               |         |           |
| 1 January 2024. . . . .                          | —             | —                       | —        | —                                    | —                                             | —       | —         |
| Acquired through business combinations . . . . . | —             | —                       | 187      | —                                    | —                                             | —       | 187       |
| At 31 December 2024 and 1 January 2025 . . . . . | —             | —                       | 187      | —                                    | —                                             | —       | 187       |
| Provided for the year. . . . .                   | —             | —                       | 90,077   | —                                    | —                                             | —       | 90,077    |
| Disposal . . . . .                               | —             | —                       | —        | —                                    | —                                             | —       | —         |
| Exchange difference . . . . .                    | —             | —                       | (918)    | —                                    | —                                             | —       | (918)     |
| At 31 December 2025 . . . . .                    | —             | —                       | 89,346   | —                                    | —                                             | —       | 89,346    |
| <b>Net book value</b>                            |               |                         |          |                                      |                                               |         |           |
| At 31 December 2023 . . . . .                    | 121,401       | 53,535                  | 192,411  | 82,802                               | —                                             | 161     | 450,310   |
| At 31 December 2024 . . . . .                    | 87,255        | 54,557                  | 217,233  | 70,817                               | —                                             | 589     | 430,451   |
| At 31 December 2025 . . . . .                    | 344,539       | 87,538                  | 309,624  | 60,646                               | 118,779                                       | 99,160  | 1,020,286 |

Note:

- (a) Such intangible assets arose from the acquisition of 城堡岩石股份有限公司 in April 2019 and CalDigit Holding Limited in May 2020 based on the valuation prepared by an independent external valuer adopting the multi-period excess earnings method under the income approach. The intangible assets were evaluated based on Operating conditions, revenue growth and profitability over the past three years. As at the date of the valuation, the relationships with Core Customers have been well-established, strong and achieved through track records of quality product deliveries. These intangible assets enable 城堡岩石股份有限公司 and CalDigit Holding Limited to have stable source of revenue and also provide a solid foundation for business growth and development.
- (b) Internally generated technology, which are intangible assets not yet ready for use, are tested for impairment annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. Internally generated technology mainly are used by Wingtech Other Mainland Consumer Electronics Businesses CGU, which was acquired by the Group in July 2025. Methods and key assumptions on impairment loss assessment is discussed in the impairment assessment of goodwill of Wingtech Other Mainland Consumer Electronics Businesses CGU in note 21.

| The Company                                      | Patent Rights | Software | Total    |
|--------------------------------------------------|---------------|----------|----------|
|                                                  | RMB'000       | RMB'000  | RMB'000  |
| <b>Costs</b>                                     |               |          |          |
| At 1 January 2023 . . . . .                      | 1,120         | 162,828  | 163,948  |
| Additions . . . . .                              | —             | 35,971   | 35,971   |
| Disposals . . . . .                              | —             | (32,837) | (32,837) |
| At 31 December 2023 and 1 January 2024 . . . . . | 1,120         | 165,962  | 167,082  |
| Additions . . . . .                              | —             | 66,821   | 66,821   |
| At 31 December 2024 and 1 January 2025 . . . . . | 1,120         | 232,783  | 233,903  |
| Additions . . . . .                              | —             | 79,534   | 79,534   |
| At 31 December 2025 . . . . .                    | 1,120         | 312,317  | 313,437  |

## APPENDIX I

## ACCOUNTANTS' REPORT

| The Company                                                                       | Patent Rights  | Software       | Total          |
|-----------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                                                                   | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Depreciation</b>                                                               |                |                |                |
| At 1 January 2023 . . . . .                                                       | 37             | 79,750         | 79,787         |
| Provided for the year . . . . .                                                   | 224            | 36,483         | 36,707         |
| Disposals . . . . .                                                               | —              | (32,378)       | (32,378)       |
| At 31 December 2023 and 1 January 2024 . . .                                      | 261            | 83,855         | 84,116         |
| Provided for the year . . . . .                                                   | 224            | 49,192         | 49,416         |
| At 31 December 2024 and 1 January 2025 . . .                                      | 485            | 133,047        | 133,532        |
| Provided for the year . . . . .                                                   | 224            | 74,544         | 74,768         |
| Disposal . . . . .                                                                | —              | (423)          | (423)          |
| At 31 December 2025 . . . . .                                                     | 709            | 207,168        | 207,877        |
| <b>Impairment</b>                                                                 |                |                |                |
| At 1 January 2023, 31 December 2023,<br>31 December 2024 and 1 January 2025 . . . | —              | —              | —              |
| Provided for the year . . . . .                                                   | —              | 239            | 239            |
| Disposal . . . . .                                                                | —              | (119)          | (119)          |
| At 31 December 2025 . . . . .                                                     | —              | 120            | 120            |
| <b>Net book value</b>                                                             |                |                |                |
| At 31 December 2023 . . . . .                                                     | 859            | 82,107         | 82,966         |
| At 31 December 2024 . . . . .                                                     | 635            | 99,736         | 100,371        |
| At 31 December 2025 . . . . .                                                     | 411            | 105,029        | 105,440        |

### 23 DEFERRED TAX ASSETS/LIABILITIES

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

#### The Group

|                                                                                  | As at 31 December |                |                |
|----------------------------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                                  | 2023              | 2024           | 2025           |
|                                                                                  | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Deferred tax assets . . . . .                                                    | 1,329,940         | 1,659,322      | 4,667,571      |
| Set-off with deferred tax liabilities pursuant<br>to set-off provision . . . . . | (456,996)         | (841,629)      | (2,134,140)    |
|                                                                                  | 872,944           | 817,693        | 2,533,431      |
| Deferred tax liabilities . . . . .                                               | 1,340,921         | 1,797,450      | 3,278,284      |
| Set-off with deferred tax assets pursuant to<br>set-off provision . . . . .      | (456,996)         | (841,629)      | (2,134,140)    |
|                                                                                  | 883,925           | 955,821        | 1,144,144      |

The following is a summary of the deferred tax balances of the Company for financial reporting purposes:

### The Company

|                                                                               | As at 31 December |          |          |
|-------------------------------------------------------------------------------|-------------------|----------|----------|
|                                                                               | 2023              | 2024     | 2025     |
|                                                                               | RMB'000           | RMB'000  | RMB'000  |
| Deferred tax assets . . . . .                                                 | 25,479            | 27,151   | 25,101   |
| Set-off with deferred tax liabilities pursuant to set-off provision . . . . . | (25,479)          | (16,752) | (17,776) |
|                                                                               | —                 | 10,399   | 7,325    |
| Deferred tax liabilities . . . . .                                            | 44,986            | 16,752   | 17,776   |
| Set-off with deferred tax assets pursuant to set-off provision . . . . .      | (25,479)          | (16,752) | (17,776) |
|                                                                               | 19,507            | —        | —        |

The followings are the major deferred tax assets and liabilities recognized and movements thereon before offsetting during the Track Record Period:

### The Group

| DEFERRED TAX ASSETS                              | Impairment allowance | Unused Tax Losses | Unrealized intercompany profits | Government Grants | Share-based Payment | Fixed Asset Depreciation | Lease Liabilities | Others   | Total     |
|--------------------------------------------------|----------------------|-------------------|---------------------------------|-------------------|---------------------|--------------------------|-------------------|----------|-----------|
|                                                  | RMB'000              | RMB'000           | RMB'000                         | RMB'000           | RMB'000             | RMB'000                  | RMB'000           | RMB'000  | RMB'000   |
| As at 1 January 2023. . . . .                    | 120,808              | 720,299           | 83,056                          | 100,039           | 108,660             | 40,527                   | 18,929            | 33,370   | 1,225,688 |
| Credit/(charged) to profit or loss. . . . .      | 111,733              | (265,698)         | 14,271                          | (5,643)           | 59,257              | 129,370                  | 57,880            | 8,942    | 110,112   |
| Credit to other comprehensive income. . . . .    | —                    | —                 | —                               | —                 | —                   | —                        | —                 | 3,445    | 3,445     |
| Exchange difference . . . . .                    | (8,172)              | 19,434            | (1,121)                         | 413               | (4,336)             | (9,236)                  | (5,273)           | (1,014)  | (9,305)   |
| As at 31 December 2023 and                       |                      |                   |                                 |                   |                     |                          |                   |          |           |
| 1 January 2024 . . . . .                         | 224,369              | 474,035           | 96,206                          | 94,809            | 163,581             | 160,661                  | 71,536            | 44,743   | 1,329,940 |
| Credit/(charged) to profit or loss. . . . .      | 59,659               | 81,808            | 10,964                          | 9,499             | (18,017)            | 72,957                   | 14,454            | (13,980) | 217,344   |
| Credit to other comprehensive income. . . . .    | —                    | —                 | —                               | —                 | —                   | —                        | —                 | 757      | 757       |
| Acquired through business combinations . . . . . | 44,397               | —                 | 938                             | 221               | —                   | 32,272                   | 27,478            | —        | 105,306   |
| Exchange difference . . . . .                    | 1,640                | 2,249             | 270                             | 261               | (495)               | 1,909                    | 396               | (255)    | 5,975     |
| As at 31 December 2024 and                       |                      |                   |                                 |                   |                     |                          |                   |          |           |
| 1 January 2025 . . . . .                         | 330,065              | 558,092           | 108,378                         | 104,790           | 145,069             | 267,799                  | 113,864           | 31,265   | 1,659,322 |
| Credit/(charged) to profit or loss. . . . .      | 353,763              | 404,779           | (11,734)                        | 27,972            | 18,534              | (40,018)                 | 270,314           | 504,246  | 1,527,856 |
| Credit to other comprehensive income. . . . .    | —                    | —                 | —                               | —                 | —                   | —                        | —                 | 921      | 921       |
| Acquired through business combinations . . . . . | 363,546              | 495,983           | 9,388                           | 18,866            | 36,066              | 284,098                  | 153,696           | 26,221   | 1,387,864 |
| Exchange difference . . . . .                    | 21,389               | 27,993            | 2,164                           | 3,094             | 4,075               | 10,446                   | 10,977            | 11,470   | 91,608    |
| As at 31 December 2025 . . . . .                 | 1,068,763            | 1,486,847         | 108,196                         | 154,722           | 203,744             | 522,325                  | 548,851           | 574,123  | 4,667,571 |



## The Group

| DEFERRED TAX LIABILITIES                                    | Appraisal<br>increment of<br>assets in<br>business<br>combinations<br>under<br>non-common<br>control | Accelerated<br>depreciation of<br>fixed assets | Undistributed<br>profits of<br>affiliates | Right-of-use<br>asset | Others   | Total     |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------|-----------------------|----------|-----------|
|                                                             | RMB'000                                                                                              | RMB'000                                        | RMB'000                                   | RMB'000               | RMB'000  | RMB'000   |
| As at 1 January 2023 . . . . .                              | 155,352                                                                                              | 1,174,530                                      | 170,463                                   | 17,106                | 106,300  | 1,623,751 |
| Credit/(charged) to profit or loss . . . . .                | (18,072)                                                                                             | (381,287)                                      | 38,826                                    | 53,332                | 34,203   | (272,998) |
| Charged to other comprehensive income . . . . .             | —                                                                                                    | —                                              | —                                         | —                     | (28,549) | (28,549)  |
| Exchange differences . . . . .                              | 1,322                                                                                                | 27,888                                         | (2,839)                                   | (5,153)               | (2,501)  | 18,717    |
| As at 31 December 2023 and<br>1 January 2024 . . . . .      | 138,602                                                                                              | 821,131                                        | 206,450                                   | 65,285                | 109,453  | 1,340,921 |
| Credit/(charged) to profit or loss . . . . .                | (14,213)                                                                                             | 240,336                                        | 28,142                                    | 14,081                | 160,258  | 428,604   |
| Credit/(charged) to other comprehensive<br>income . . . . . | —                                                                                                    | —                                              | —                                         | —                     | (18,540) | (18,540)  |
| Acquired through business combinations . . . . .            | —                                                                                                    | 1,559                                          | 7,441                                     | 25,682                | —        | 34,682    |
| Exchange differences . . . . .                              | (391)                                                                                                | 6,610                                          | 775                                       | 387                   | 4,402    | 11,783    |
| As at 31 December 2024 and<br>1 January 2025 . . . . .      | 123,998                                                                                              | 1,069,636                                      | 242,808                                   | 105,435               | 255,573  | 1,797,450 |
| Credit/(charged) to profit or loss . . . . .                | 78,249                                                                                               | 412,493                                        | (23,693)                                  | 283,178               | 383,697  | 1,133,924 |
| Credit/(charged) to other comprehensive<br>income . . . . . | —                                                                                                    | —                                              | —                                         | —                     | 8,769    | 8,769     |
| Acquired through business combinations . . . . .            | —                                                                                                    | 185,531                                        | —                                         | 115,606               | 4,791    | 305,928   |
| Exchange differences . . . . .                              | 4,128                                                                                                | —                                              | 4,473                                     | 10,290                | 13,322   | 32,213    |
| As at 31 December 2025 . . . . .                            | 206,375                                                                                              | 1,667,660                                      | 223,588                                   | 514,509               | 666,152  | 3,278,284 |

## The Company

| DEFERRED TAX ASSETS                                         | Impairment<br>loss | Government<br>grant | Share based<br>payment | Fair value<br>adjustment<br>through other<br>comprehensive<br>income | Right of use<br>asset | Total   |
|-------------------------------------------------------------|--------------------|---------------------|------------------------|----------------------------------------------------------------------|-----------------------|---------|
|                                                             | RMB'000            | RMB'000             | RMB'000                | RMB'000                                                              | RMB'000               | RMB'000 |
| At 1 January 2023 . . . . .                                 | 1,975              | 864                 | 2,454                  | 1                                                                    | 8,128                 | 13,422  |
| Credit/(charge) to profit or loss<br>for the year . . . . . | 2,973              | (322)               | 7,217                  | —                                                                    | (1,255)               | 8,613   |
| Credit to other comprehensive income . . . . .              | —                  | —                   | —                      | 3,444                                                                | —                     | 3,444   |
| At 31 December 2023 and<br>1 January 2024 . . . . .         | 4,948              | 542                 | 9,671                  | 3,445                                                                | 6,873                 | 25,479  |
| Credit/(charge) to profit or loss<br>for the year . . . . . | 1,332              | (239)               | 474                    | —                                                                    | (653)                 | 914     |
| Credit to other comprehensive income . . . . .              | —                  | —                   | —                      | 758                                                                  | —                     | 758     |
| At 31 December 2024 and<br>1 January 2025 . . . . .         | 6,280              | 303                 | 10,145                 | 4,203                                                                | 6,220                 | 27,151  |
| Credit/(charge) to profit or loss for the<br>year . . . . . | (769)              | (226)               | 4,473                  | —                                                                    | (5,844)               | (2,366) |
| Credit to other comprehensive income . . . . .              | —                  | —                   | —                      | 316                                                                  | —                     | 316     |
| As at 31 December 2025 . . . . .                            | 5,511              | 77                  | 14,618                 | 4,519                                                                | 376                   | 25,101  |

**The Company**

| <b>DEFERRED TAX LIABILITIES</b>                             | <b>Valuation of<br/>Derivative<br/>Financial<br/>Instruments</b> | <b>Fair Value<br/>Changes on<br/>Other Equity<br/>Instruments</b> | <b>Lease liabilities</b> | <b>Total</b>   |
|-------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------|----------------|
|                                                             | <i>RMB'000</i>                                                   | <i>RMB'000</i>                                                    | <i>RMB'000</i>           | <i>RMB'000</i> |
| At 1 January 2023 . . . . .                                 | 8,174                                                            | 52,057                                                            | 7,634                    | 67,865         |
| Credit/(charge) to profit or loss<br>for the year . . . . . | 7,049                                                            | —                                                                 | (1,380)                  | 5,669          |
| Charge to other comprehensive income .                      | —                                                                | (28,548)                                                          | —                        | (28,548)       |
| At 31 December 2023 and<br>1 January 2024 . . . . .         | 15,223                                                           | 23,509                                                            | 6,254                    | 44,986         |
| Charge to profit or loss<br>for the year . . . . .          | (9,084)                                                          | —                                                                 | (611)                    | (9,695)        |
| Charge to other comprehensive income .                      | —                                                                | (18,539)                                                          | —                        | (18,539)       |
| At 31 December 2024 and<br>1 January 2025 . . . . .         | 6,139                                                            | 4,970                                                             | 5,643                    | 16,752         |
| Charge to profit or loss for the year . . .                 | (1,416)                                                          | —                                                                 | (5,643)                  | (7,059)        |
| Charge to other comprehensive income .                      | —                                                                | 8,083                                                             | —                        | 8,083          |
| As at 31 December 2025 . . . . .                            | 4,723                                                            | 13,053                                                            | —                        | 17,776         |

**24 INVENTORIES**

As at 31 December 2023, 31 December 2024 and 31 December 2025, the inventories held by the Group for sales are shown by categories as below:

**The Group**

|                                           | <b>As at 31 December</b> |                |                |
|-------------------------------------------|--------------------------|----------------|----------------|
|                                           | <b>2023</b>              | <b>2024</b>    | <b>2025</b>    |
|                                           | <i>RMB'000</i>           | <i>RMB'000</i> | <i>RMB'000</i> |
| Raw materials . . . . .                   | 7,122,403                | 8,389,250      | 14,018,547     |
| Materials in Transit. . . . .             | 27,648                   | 45,746         | 165,155        |
| Consumable Supplies . . . . .             | 137,194                  | 441,841        | 1,266,213      |
| Outsourced Processing Materials . . . . . | 7,662                    | 88,904         | 41,321         |
| Work in Progress . . . . .                | 5,171,213                | 6,905,616      | 8,811,340      |
| Finished Goods . . . . .                  | 17,873,073               | 16,723,010     | 18,712,647     |
| Goods in Transit. . . . .                 | 80,403                   | 101,539        | 288,217        |
| Less: provision . . . . .                 | (1,012,114)              | (1,208,810)    | (1,293,209)    |
|                                           | 29,407,482               | 31,487,096     | 42,010,231     |

During the years ended 31 December 2023, 2024 and 2025, inventories recognised as cost of sales amounted to RMB29,147 million, RMB26,115 million, and RMB 30,676 million respectively, and including reversal of provision for inventories recognised as cost of sales amounted to RMB762 million, RMB789 million, and RMB 1,052 million respectively.

**The Company**

|                               | As at 31 December |                |                |
|-------------------------------|-------------------|----------------|----------------|
|                               | 2023              | 2024           | 2025           |
|                               | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Raw materials . . . . .       | 86,544            | 114,493        | 209,020        |
| Consumable Supplies . . . . . | 92                | 83             | 6,266          |
| Work in Progress . . . . .    | 83,079            | 63,885         | 137,885        |
| Finished Goods . . . . .      | 142,182           | 203,650        | 137,762        |
| Goods in Transit . . . . .    | 23,330            | 19,841         | 13,090         |
| Less: provision . . . . .     | (28,967)          | (22,463)       | (32,564)       |
|                               | <u>306,260</u>    | <u>379,489</u> | <u>471,459</u> |

The movement of provision of inventory is as follows:

| The Group                                      | As at 31 December |                  |                  |
|------------------------------------------------|-------------------|------------------|------------------|
|                                                | 2023              | 2024             | 2025             |
|                                                | <i>RMB'000</i>    | <i>RMB'000</i>   | <i>RMB'000</i>   |
| At the beginning of the year . . . . .         | 762,623           | 1,012,114        | 1,208,810        |
| Acquired through business combinations . . . . | —                 | 85,323           | —                |
| Provision . . . . .                            | 1,009,956         | 908,440          | 1,138,862        |
| Written off . . . . .                          | (762,830)         | (789,279)        | (1,052,274)      |
| Exchange difference . . . . .                  | 2,365             | (7,788)          | (2,189)          |
| At the end of the year . . . . .               | <u>1,012,114</u>  | <u>1,208,810</u> | <u>1,293,209</u> |

| The Company                            | As at 31 December |                |                |
|----------------------------------------|-------------------|----------------|----------------|
|                                        | 2023              | 2024           | 2025           |
|                                        | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| At the beginning of the year . . . . . | 13,170            | 28,967         | 22,463         |
| Provision . . . . .                    | 15,797            | (6,504)        | 10,101         |
| At the end of the year . . . . .       | <u>28,967</u>     | <u>22,463</u>  | <u>32,564</u>  |

**25 CONTRACT FULFILLMENT COSTS**

| The Group                           | As at 31 December |                |                |
|-------------------------------------|-------------------|----------------|----------------|
|                                     | 2023              | 2024           | 2025           |
|                                     | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Contract fulfilment costs . . . . . | 466,879           | 222,914        | 335,487        |
| Less: provision . . . . .           | (116,430)         | (7,334)        | (12,936)       |
|                                     | <u>350,449</u>    | <u>215,580</u> | <u>322,551</u> |

During the years ended 31 December 2023, 2024 and 2025, contract fulfillment costs recognized as cost of sales amounted to RMB98 million, RMB350 million and RMB215 million, respectively, and including provision for contract fulfillment costs recognized as cost of sales amounted to RMB116 million, RMB7 million and RMB5 million, respectively.

Provision for contract fulfillment costs was recognized for the amount by which the carrying amount of the contract fulfillment costs exceeds its net realizable value and was recorded in “cost of sales” in the consolidated statements of profit or loss and other comprehensive income. Provision for contract fulfillment costs movements for the years ended 31 December 2023, 2024 and 2025 are as below:

|                                        | Year ended 31 December |           |         |
|----------------------------------------|------------------------|-----------|---------|
|                                        | 2023                   | 2024      | 2025    |
|                                        | RMB'000                | RMB'000   | RMB'000 |
| At the beginning of the year . . . . . | —                      | 116,430   | 7,334   |
| Provision . . . . .                    | 116,430                | 7,280     | 5,830   |
| Written off . . . . .                  | —                      | (116,430) | —       |
| Exchange difference . . . . .          | —                      | 54        | (228)   |
| At the end of the year . . . . .       | 116,430                | 7,334     | 12,936  |

## 26 FINANCIAL INSTRUMENTS BY CATEGORY

|                                                                                                                            | As at 31 December |             |             |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|-------------|-------------|
|                                                                                                                            | 2023              | 2024        | 2025        |
|                                                                                                                            | RMB'000           | RMB'000     | RMB'000     |
| <b>Financial assets</b>                                                                                                    |                   |             |             |
| Financial assets at FVTPL ( <i>Note 27</i> ) . . . . .                                                                     | 1,756,464         | 1,442,423   | 2,879,702   |
| Financial assets at FVTOCI ( <i>Note 28</i> ) . . . . .                                                                    | 836,707           | 1,219,049   | 1,482,702   |
| Derivative Financial Instruments ( <i>Note 29</i> ) . .                                                                    | —                 | —           | 102,964     |
| Financial assets at amortised cost:                                                                                        |                   |             |             |
| —Trade and note receivables ( <i>Note 31</i> ) . . . . .                                                                   | 23,765,555        | 32,910,872  | 48,960,683  |
| —Other receivables (excluded prepayments and VAT recoverable) ( <i>Note 30</i> ) . . . . .                                 | 380,349           | 944,815     | 2,696,782   |
| —Restricted bank deposits ( <i>Note 33</i> ) . . . . .                                                                     | 3,935,387         | 1,092,553   | 1,818,564   |
| —Term deposit ( <i>Note 33</i> ) . . . . .                                                                                 | 10,120,341        | 34,381,656  | 43,583,672  |
| —Cash and cash equivalents ( <i>Note 33</i> ) . . . . .                                                                    | 29,684,152        | 47,267,103  | 59,340,613  |
|                                                                                                                            | 70,478,955        | 119,258,471 | 160,865,682 |
| <b>Financial liabilities</b>                                                                                               |                   |             |             |
| Financial liabilities at fair value through profit or loss ( <i>Note 40</i> ) . . . . .                                    | 117,942           | 155,279     | 424,219     |
| Derivative Financial Instruments ( <i>Note 29</i> ) . .                                                                    | —                 | —           | 38,122      |
| Financial liabilities at amortised cost:                                                                                   |                   |             |             |
| —Trade and note payables ( <i>Note 35</i> ) . . . . .                                                                      | 42,498,591        | 57,712,870  | 76,483,034  |
| —Other payables and accruals (excluding payroll and welfare payables and other taxes payable) ( <i>Note 36</i> ) . . . . . | 4,309,188         | 8,755,829   | 9,850,401   |
| —Borrowings ( <i>Note 34</i> ) . . . . .                                                                                   | 35,241,450        | 57,035,396  | 86,706,307  |
| —Lease liabilities ( <i>Note 20</i> ) . . . . .                                                                            | 681,697           | 881,930     | 2,940,089   |
| —Short-term financing bills ( <i>Note 39</i> ) . . . . .                                                                   | 802,722           | 5,039,812   | 6,024,479   |
| —Medium-term notes ( <i>Note 38</i> ) . . . . .                                                                            | —                 | —           | 3,055,652   |
|                                                                                                                            | 83,651,590        | 129,581,116 | 185,522,303 |

**27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The Group classifies the following financial assets at FVTPL:

- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognize fair value gains or losses through OCI.
- derivative financial assets for which the USD/CNY forward exchange contracts.

|                                                                  | As at 31 December       |                         |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                  | 2023                    | 2024                    | 2025                    |
|                                                                  | RMB'000                 | RMB'000                 | RMB'000                 |
| <b>The Group</b>                                                 |                         |                         |                         |
| <b>Financial assets</b>                                          |                         |                         |                         |
| <b>Non-current assets</b>                                        |                         |                         |                         |
| Financial assets at FVTPL                                        |                         |                         |                         |
| —Equity investments ( <i>Note a</i> ) . . . . .                  | 35,700                  | 39,312                  | 37,637                  |
|                                                                  | <u>35,700</u>           | <u>39,312</u>           | <u>37,637</u>           |
| <b>Current assets</b>                                            |                         |                         |                         |
| Financial assets at FVTPL                                        |                         |                         |                         |
| —Wealth management products (“WMPs”) ( <i>Note b</i> ) . . . . . | 1,628,279               | 1,300,228               | 2,770,200               |
| —Derivative financial assets . . . . .                           | 92,485                  | 102,883                 | 71,865                  |
|                                                                  | <u>1,720,764</u>        | <u>1,403,111</u>        | <u>2,842,065</u>        |
|                                                                  | <u><u>1,720,764</u></u> | <u><u>1,403,111</u></u> | <u><u>2,842,065</u></u> |
|                                                                  |                         |                         |                         |
|                                                                  | As at 31 December       |                         |                         |
|                                                                  | 2023                    | 2024                    | 2025                    |
|                                                                  | RMB'000                 | RMB'000                 | RMB'000                 |
| <b>The Company</b>                                               |                         |                         |                         |
| <b>Financial assets</b>                                          |                         |                         |                         |
| <b>Non-current assets</b>                                        |                         |                         |                         |
| Financial assets at FVTPL                                        |                         |                         |                         |
| —Equity investments ( <i>Note a</i> ) . . . . .                  | 570,000                 | 570,000                 | 570,000                 |
|                                                                  | <u>570,000</u>          | <u>570,000</u>          | <u>570,000</u>          |
| <b>Current assets</b>                                            |                         |                         |                         |
| Financial assets at FVTPL                                        |                         |                         |                         |
| —Wealth management products (“WMPs”) ( <i>Note b</i> ) . . . . . | 339,581                 | 219,657                 | 746,120                 |
|                                                                  | <u>339,581</u>          | <u>219,657</u>          | <u>746,120</u>          |
|                                                                  | <u><u>339,581</u></u>   | <u><u>219,657</u></u>   | <u><u>746,120</u></u>   |

## Notes

- (a) The equity investments are classified as non-current as the management does not expect to realize these financial assets within twelve months after the end of each reporting period during the Track Record Period respectively.
- (b) Wealth management products at FVTPL represents the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The wealth management products can be purchased or disposed at any date during the open days. The Group measures the investments at fair value using the present value method.

## 28 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

## The Group

|                                                                     | As at 31 December |           |           |
|---------------------------------------------------------------------|-------------------|-----------|-----------|
|                                                                     | 2023              | 2024      | 2025      |
|                                                                     | RMB'000           | RMB'000   | RMB'000   |
| <b>Non-current assets</b>                                           |                   |           |           |
| —Equity investments ( <i>Note a</i> ) . . . . .                     | 249,122           | 112,765   | 219,462   |
|                                                                     | 249,122           | 112,765   | 219,462   |
| <b>Current assets</b>                                               |                   |           |           |
| —Note receivables measured at FVTOCI<br>( <i>Note b</i> ) . . . . . | 587,585           | 1,106,284 | 1,263,240 |
|                                                                     | 587,585           | 1,106,284 | 1,263,240 |

## The Company

|                                              | As at 31 December |         |         |
|----------------------------------------------|-------------------|---------|---------|
|                                              | 2023              | 2024    | 2025    |
|                                              | RMB'000           | RMB'000 | RMB'000 |
| <b>Non-current assets</b>                    |                   |         |         |
| —Equity investments . . . . .                | 244,727           | 108,337 | 173,805 |
|                                              | 244,727           | 108,337 | 173,805 |
| <b>Current assets</b>                        |                   |         |         |
| —Note receivables measured at FVTOCI . . . . | 5,120             | 10,673  | 22,285  |
|                                              | 5,120             | 10,673  | 22,285  |

## Notes:

- (a) Equity investments comprise unlisted securities of RMB76.4 million, RMB71.4 million and RMB90.2 million as at 31 December 2023, 2024 and 2025, respectively. The fair values of these equity securities are measured using a valuation technique with unobservable inputs and hence classified as Level 3 of the fair value hierarchy. The major assumptions used in the valuation refer to Note 3.3.
- (b) The following note receivables as at 31 December 2023, 2024 and 2025, which are classified at financial assets at FVTOCI, were managed by collecting contractual cash flows and selling of these assets.

|                                               | As at 31 December |           |           |
|-----------------------------------------------|-------------------|-----------|-----------|
|                                               | 2023              | 2024      | 2025      |
|                                               | RMB'000           | RMB'000   | RMB'000   |
| Note receivables measured at FVTOCI . . . . . | 587,585           | 1,106,284 | 1,263,240 |

The Group has transferred substantially all the risks and rewards of ownership of certain note receivables discounted to banks or endorsed to suppliers. The relevant assets were derecognized and no longer included in the Historical Financial Information. In the opinion of the directors, the Group has limited exposure in respect of the settlement obligation of these note receivables under the relevant PRC rules and regulations should the issuing banks fail to settle the note on maturity date. The Group considered the issuing banks of these notes are of good credit quality and non-settlement of these notes by the issuing banks on maturity is not probable.



The Group's maximum exposure that may result from the default of these derecognized note receivables at the end of each reporting period are as follows:

|                            | As at 31 December |           |           |
|----------------------------|-------------------|-----------|-----------|
|                            | 2023              | 2024      | 2025      |
|                            | RMB'000           | RMB'000   | RMB'000   |
| Note receivables . . . . . | 2,129,207         | 3,311,205 | 2,737,915 |

## 29 DERIVATIVE FINANCIAL INSTRUMENTS

|                                                 | As of 31 December 2025 |            |           |
|-------------------------------------------------|------------------------|------------|-----------|
|                                                 | Nominal Amount         | Fair Value |           |
|                                                 |                        | Asset      | Liability |
|                                                 | EUR'000                | RMB'000    | RMB'000   |
| Derivatives asset under hedge accounting. . . . |                        |            |           |
| Cash flow hedge — foreign currency              |                        |            |           |
| forwards . . . . .                              | 25,978                 | 102,964    | 38,122    |
|                                                 | 25,978                 | 102,964    | 38,122    |

The Group enters into derivative financial instruments with banks. Derivative financial instruments are mainly about foreign currency forward contracts and foreign currency options. The fair values of derivative financial instruments are measured based on the valuation report obtained from banks.

Hedge accounting has been applied for foreign currency forwards that are assessed by the Group to be highly effective hedges.

The Group determines the economic relationship between the hedging instruments and the hedged items by matching the critical terms of foreign currency forwards contracts with the terms of trade receivable and trade payable contract (i.e., notional amount and expected payment date). The hedge ratio (the ratio between the notional amount of the derivatives to the par value of the trade receivable and trade payable) is determined to be 1:1. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The potential sources of ineffectiveness result from differences between the timing of the cash flows of the hedged item and hedging instrument and potential credit risk.

Hedge ineffectiveness can arise from:

Differences in the timing of the cash flows of the trade receivables, trade payables and the hedging instruments; and

Changes to the forecasted amounts of cash flows of hedged items and hedging instruments.

## 30 PREPAYMENTS AND OTHER RECEIVABLES

## The Group

|                                                                      | As at 31 December |                  |                  |
|----------------------------------------------------------------------|-------------------|------------------|------------------|
|                                                                      | 2023              | 2024             | 2025             |
|                                                                      | RMB'000           | RMB'000          | RMB'000          |
| <b>Non-current</b>                                                   |                   |                  |                  |
| Prepayments for acquisition of PPE . . . . .                         | 1,416,221         | 1,688,137        | 1,985,449        |
| Amount due from the third parties ( <i>Note d</i> ) . .              | —                 | —                | 150,644          |
| Advance payment for equity investment<br>( <i>Note c</i> ) . . . . . | 141,654           | —                | 79,450           |
| Others . . . . .                                                     | 10,763            | 7,767            | 743,933          |
|                                                                      | <u>1,568,638</u>  | <u>1,695,904</u> | <u>2,959,476</u> |
| <b>Current</b>                                                       |                   |                  |                  |
| Prepayments made to the third-party<br>suppliers . . . . .           | 476,592           | 378,487          | 1,436,523        |
| Prepayments made to the related-party<br>suppliers . . . . .         | 10,111            | 10,713           | 1,605            |
| Prepayments made to the associates . . . . .                         | —                 | —                | 2,563            |
| Amount due from associates ( <i>Note a</i> ) . . . . .               | 54                | 696              | 13               |
| Amount due from the related parties<br>( <i>Note b</i> ) . . . . .   | 13,868            | 2,759            | 778              |
| Export VAT refund receivables . . . . .                              | 104,916           | 728,279          | 139,800          |
| Deposit receivables . . . . .                                        | 208,420           | 193,034          | 1,641,788        |
| Dividend receivable . . . . .                                        | —                 | —                | 148,346          |
| Input VAT to be deducted . . . . .                                   | 2,106,402         | 2,472,487        | 3,547,136        |
| Others . . . . .                                                     | 42,328            | 12,280           | 17,262           |
|                                                                      | <u>2,962,691</u>  | <u>3,798,735</u> | <u>6,935,814</u> |
| Less: provision for impairment . . . . .                             | (4,851)           | (7,939)          | (21,415)         |
|                                                                      | <u>2,957,840</u>  | <u>3,790,796</u> | <u>6,914,399</u> |

## Notes:

- (a) Amount due from the associates is trade in nature, unsecured, interest free and repayable on demand.
- (b) Amount due from the related parties is trade in nature, unsecured, interest free and repayable on demand.
- (c) In 2023, the Group entered into a Share Purchase Agreement with Qorvo Hong Kong Limited and Qorvo Singapore Limited, pursuant to which it shall make an advance payment of RMB141 million for the acquisition of 100% equity interests of the target companies.
- (d) Amount due from the third parties represents a refund claim against Wingtech Mobile Communications (India) Private Ltd in connection with the asset acquisition and is currently under arbitration proceedings.

## The Company

|                                                         | As of 31 December |            |            |
|---------------------------------------------------------|-------------------|------------|------------|
|                                                         | 2023              | 2024       | 2025       |
|                                                         | RMB'000           | RMB'000    | RMB'000    |
| <b>Non-current</b>                                      |                   |            |            |
| Prepayments for acquisition of PPE . . . . .            | 4,943             | 164,254    | 166,668    |
| Amount due from the subsidiaries . . . . .              | —                 | —          | 10,203,484 |
|                                                         | 4,943             | 164,254    | 10,370,152 |
| <b>Current</b>                                          |                   |            |            |
| Prepayments made to the third-party suppliers . . . . . | 2,994             | 4,667      | 6,368      |
| Prepayments made to the subsidiaries . . . . .          | 189,120           | 950        | 5,051      |
| Amount due from the subsidiaries ( <i>Note b</i> ) . .  | 14,458,131        | 28,376,768 | 31,876,760 |
| Amount due from the third parties ( <i>Note a</i> ) . . | 53,332            | 2,589,582  | 18,741     |
| Dividend receivables . . . . .                          | 522,000           | 600,000    | 922,000    |
|                                                         | 15,225,577        | 31,571,967 | 32,828,920 |
| Less: Loss allowance . . . . .                          | (267)             | (34)       | (38)       |
|                                                         | 15,225,310        | 31,571,933 | 32,828,882 |

## Notes:

- (a) Amount due from the third parties is trade in nature, unsecured, interest free and repayable on demand.
- (b) Amount due from the subsidiaries is trade in nature, unsecured and repayable on demand. The range of interest rates are 0.35%–3.0%, 0.35%–3.35% and 0.01%–0.35% for the years ended 31 December 2023, 2024 and 2025 respectively.

## 31 TRADE AND NOTE RECEIVABLES

| The Group                                             | As at 31 December |            |            |
|-------------------------------------------------------|-------------------|------------|------------|
|                                                       | 2023              | 2024       | 2025       |
|                                                       | RMB'000           | RMB'000    | RMB'000    |
| <b>Trade receivables</b>                              |                   |            |            |
| —The third parties . . . . .                          | 22,578,616        | 29,496,263 | 40,731,340 |
| —Associates . . . . .                                 | 24,785            | 80,684     | 245,227    |
| —The related parties . . . . .                        | 1,012,706         | 3,105,307  | 7,803,198  |
|                                                       | 23,616,107        | 32,682,254 | 48,779,765 |
| Less: Loss allowance ( <i>Note 3.1(b)</i> ) . . . . . | (111,626)         | (121,155)  | (340,969)  |
|                                                       | 23,504,481        | 32,561,099 | 48,438,796 |
| <b>Note receivables</b>                               |                   |            |            |
| —The third parties . . . . .                          | 261,104           | 234,310    | 374,704    |
| —The related parties . . . . .                        | —                 | 115,605    | 147,318    |
|                                                       | 261,104           | 349,915    | 522,022    |
| Less: Loss allowance ( <i>Note 3.1(b)</i> ) . . . . . | (30)              | (142)      | (135)      |
|                                                       | 261,074           | 349,773    | 521,887    |
|                                                       | 23,765,555        | 32,910,872 | 48,960,683 |

# APPENDIX I

# ACCOUNTANTS' REPORT

| The Company                                             | As at 31 December |           |           |
|---------------------------------------------------------|-------------------|-----------|-----------|
|                                                         | 2023              | 2024      | 2025      |
|                                                         | RMB'000           | RMB'000   | RMB'000   |
| <b>Trade receivables</b>                                |                   |           |           |
| —The third parties . . . . .                            | 1,531,335         | 1,950,202 | 3,345,052 |
| —Subsidiaries . . . . .                                 | 3,704,853         | 2,220,910 | 2,279,313 |
|                                                         | 5,236,188         | 4,171,112 | 5,624,365 |
| Less: provision for impairment ( <i>Note 3.1(b)</i> ) . | (3,751)           | (5,071)   | (4,022)   |
|                                                         | 5,232,437         | 4,166,041 | 5,620,343 |
| <b>Note receivables</b>                                 |                   |           |           |
| —The third parties . . . . .                            | 18,385            | 100,400   | 231,950   |
| —Subsidiaries . . . . .                                 | —                 | —         | 598,990   |
|                                                         | 18,385            | 100,400   | 830,940   |
|                                                         | 5,250,822         | 4,266,441 | 6,451,283 |

## Notes:

- (a) Certain trade and note receivables at amortized cost were pledged for bank borrowings and loan facilities as at 31 December 2023, 2024 and 2025, respectively (*Note 49*).
- (b) The Group's credit period is within 150 days to its customers. As at 31 December 2023, 2024 and 2025, the aging analysis of trade receivables based on past due date of gross trade receivables are as follows:

| The Group                            | As at 31 December |            |            |
|--------------------------------------|-------------------|------------|------------|
|                                      | 2023              | 2024       | 2025       |
|                                      | RMB'000           | RMB'000    | RMB'000    |
| Not yet past due . . . . .           | 23,209,441        | 32,170,750 | 47,051,898 |
| Past due 1-60 days . . . . .         | 341,699           | 401,427    | 1,392,046  |
| Past due 61-120 days . . . . .       | 16,519            | 29,534     | 82,606     |
| Past due 121-180 days . . . . .      | 2,508             | 3,570      | 24,599     |
| Past due 181-365 days . . . . .      | 10,123            | 4,171      | 49,341     |
| Past due 1 year to 2 years . . . . . | 1,807             | 38,076     | 74,415     |
| Past due over 2 years . . . . .      | 34,010            | 34,726     | 104,860    |
|                                      | 23,616,107        | 32,682,254 | 48,779,765 |

| The Company                          | As at 31 December |           |           |
|--------------------------------------|-------------------|-----------|-----------|
|                                      | 2023              | 2024      | 2025      |
|                                      | RMB'000           | RMB'000   | RMB'000   |
| Not yet past due . . . . .           | 5,227,457         | 4,155,964 | 5,585,950 |
| Past due 1-60 days . . . . .         | 5,937             | 9,720     | 37,469    |
| Past due 61-120 days . . . . .       | 48                | 2,227     | 450       |
| Past due 121-180 days . . . . .      | —                 | 419       | 90        |
| Past due 181-365 days . . . . .      | —                 | —         | 165       |
| Past due 1 year to 2 years . . . . . | 670               | —         | —         |
| Past due over 2 years . . . . .      | 2,076             | 2,782     | 241       |
|                                      | 5,236,188         | 4,171,112 | 5,624,365 |

## 32 CONTRACT ASSET

| The Group                                              | As of 31 December |         |           |
|--------------------------------------------------------|-------------------|---------|-----------|
|                                                        | 2023              | 2024    | 2025      |
|                                                        | RMB'000           | RMB'000 | RMB'000   |
| Contract Asset arising from                            |                   |         |           |
| — Sales of automotive components . . . . .             | —                 | —       | 696,449   |
| — Customised technology development services . . . . . | —                 | —       | 475,011   |
| Total . . . . .                                        | —                 | —       | 1,171,460 |
| Impairment . . . . .                                   | —                 | —       | (33,129)  |
| Net carrying amount . . . . .                          | —                 | —       | 1,138,331 |

As at 31 December 2025, contract assets amounted to RMB1,138,331,000, which was primarily attributable to the automotive business of new subsidiaries acquired during the year ended 31 December 2025. Contract assets mainly arising from sales of automotive components and customised technology development services to a customer primarily relate to the Group's right to consideration for work completed and not billed because the rights are condition on the Group's future performance to complete the whole sales order and services contract from a customer. Contract assets are transferred to trade receivables when the production of automotive components and performance of the services contract are completed and accepted by the customer, being when the rights become unconditional. The expected timing of recovery or settlement for contract assets is within 1 year.

## 33 CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

| The Group                              | As of 31 December |            |            |
|----------------------------------------|-------------------|------------|------------|
|                                        | 2023              | 2024       | 2025       |
|                                        | RMB'000           | RMB'000    | RMB'000    |
| Cash and cash equivalents . . . . .    | 29,684,152        | 47,267,103 | 59,340,613 |
| <b>Term deposits</b>                   |                   |            |            |
| — Short-term bank deposits . . . . .   | 1,757,335         | 19,205,160 | 31,068,385 |
| — Long-term bank deposits . . . . .    | 8,363,006         | 15,176,496 | 12,515,287 |
|                                        | 10,120,341        | 34,381,656 | 43,583,672 |
| Restricted bank deposits (a) . . . . . | 3,935,387         | 1,092,553  | 1,818,564  |

Note:

- (a) As at 31 December 2023, 31 December 2024 and 31 December 2025, the restricted deposits were mainly denominated in RMB and held in separate designed bank accounts, arose from note payable and letters of credit.

| The Company                          | As of 31 December |           |           |
|--------------------------------------|-------------------|-----------|-----------|
|                                      | 2023              | 2024      | 2025      |
|                                      | RMB'000           | RMB'000   | RMB'000   |
| Cash and cash equivalents . . . . .  | 4,163,379         | 5,038,282 | 3,498,585 |
| <b>Term deposits</b>                 |                   |           |           |
| — Short-term bank deposits . . . . . | 106,998           | —         | 3,373,711 |
| — Long-term bank deposits . . . . .  | 894,932           | 6,170,309 | 4,705,049 |
|                                      | 1,001,930         | 6,170,309 | 8,078,760 |
| Restricted bank deposits . . . . .   | 1,200,500         | —         | 35,610    |

## 34 BORROWINGS

| The Group                                                                         | As at 31 December |              |              |
|-----------------------------------------------------------------------------------|-------------------|--------------|--------------|
|                                                                                   | 2023              | 2024         | 2025         |
|                                                                                   | RMB'000           | RMB'000      | RMB'000      |
| Secured and unguaranteed bank borrowings<br>(Note a) . . . . .                    | 6,284,912         | 6,130,630    | 21,181,463   |
| Unsecured and guaranteed bank borrowings<br>(Note b) . . . . .                    | 656,533           | 142,872      | 181,391      |
| Unsecured and unguaranteed bank borrowings<br>(Note c) . . . . .                  | 28,300,005        | 50,761,894   | 65,343,453   |
|                                                                                   | 35,241,450        | 57,035,396   | 86,706,307   |
| Less: amounts due within one year shown<br>under current liabilities . . . . .    | (23,202,679)      | (37,415,654) | (70,264,324) |
| Amounts shown under non-current liabilities .                                     | 12,038,771        | 19,619,742   | 16,441,983   |
| <hr/>                                                                             |                   |              |              |
| The Company                                                                       | As at 31 December |              |              |
|                                                                                   | 2023              | 2024         | 2025         |
|                                                                                   | RMB'000           | RMB'000      | RMB'000      |
| <b>Borrowings included in current liabilities<br/>and non-current liabilities</b> |                   |              |              |
| Secured and unguaranteed bank borrowings<br>(Note a) . . . . .                    | 1,957,186         | 1,341,658    | 470,000      |
| Unsecured and unguaranteed bank borrowings<br>(Note c) . . . . .                  | 11,657,974        | 19,664,181   | 27,428,097   |
|                                                                                   | 13,615,160        | 21,005,839   | 27,898,097   |
| Less: amounts due within one year shown<br>under current liabilities . . . . .    | (3,938,424)       | (3,628,517)  | (14,738,780) |
| Amounts shown under non-current liabilities .                                     | 9,676,736         | 17,377,322   | 13,159,317   |

The following table sets out the maturity profile of the total borrowings as at each of the reporting periods:

|                                        | As at 31 December |            |            |
|----------------------------------------|-------------------|------------|------------|
|                                        | 2023              | 2024       | 2025       |
|                                        | RMB'000           | RMB'000    | RMB'000    |
| On demand or within one year . . . . . | 23,202,679        | 37,415,654 | 70,264,324 |
| 1-2 years . . . . .                    | 2,148,627         | 12,519,815 | 6,329,100  |
| 2-5 years . . . . .                    | 8,598,478         | 6,364,957  | 9,238,381  |
| Over 5 years . . . . .                 | 1,291,666         | 734,970    | 874,502    |
|                                        | 35,241,450        | 57,035,396 | 86,706,307 |

Notes:

## (a) Secured and unguaranteed bank borrowings

- (i) Secured and unguaranteed bank borrowings were mainly secured by PPE, ROU assets and note receivables. Details of the Group's assets pledged for the Group's borrowings are disclosed in Note 49 to the Historical Financial Information.
- (ii) The range of interest rates of secured and unguaranteed bank borrowings were 2.5% to 7.9%, 1.1% to 6.03%, and 2.03% to 3.85% for the years ended 31 December 2023, 2024 and 2025 respectively.



**(b) Unsecured and guaranteed bank borrowings**

- (i) Unsecured and guaranteed bank borrowings primarily consist of guaranteed borrowings provided by “Time Interconnect” to its subsidiaries and “the Company” to other company in Group. The guarantee provided by the Company has been released in September 2023 (Note 46(iv)). As at 31 December 2023, 2024 and 2025, there is no guarantees provided by related parties.
- (ii) The range of interest rates of unsecured and guaranteed bank borrowings were 1.93% to 3.8%, 2.05% to 3.5% and 2.05% to 6.4% for the years ended 31 December 2023, 2024 and 2025 respectively.

**(c) Unsecured and unguaranteed bank borrowings**

The range of interest rates of unsecured and unguaranteed bank borrowings were 1.93% to 5.7%, 1.57% to 3.1% and 1.95% to 6.18% for the years ended 31 December 2023, 2024 and 2025 respectively.

- (d) The Group has complied with all financial covenants under its loan agreements, and there were no breaches or waivers during the track report period.

**35 TRADE AND NOTE PAYABLES**

The credit period provided by suppliers to the Group and Company is generally within 180 days. As at 31 December 2023, 31 December 2024 and 31 December 2025, the aging analysis of the trade payables based on transaction date are as follows:

| The Group                      | As at 31 December |            |            |
|--------------------------------|-------------------|------------|------------|
|                                | 2023              | 2024       | 2025       |
|                                | RMB'000           | RMB'000    | RMB'000    |
| Trade payables . . . . .       |                   |            |            |
| —The third parties . . . . .   | 41,525,608        | 55,615,844 | 71,842,401 |
| —The associates . . . . .      | 58,044            | 126,037    | 475,131    |
| —The joint ventures . . . . .  | 5,532             | 5,324      | 2,349      |
| —The related parties . . . . . | 416,821           | 1,087,329  | 1,061,057  |
|                                | 42,006,005        | 56,834,534 | 73,380,938 |
| Note payables . . . . .        | 492,586           | 878,336    | 3,102,096  |
|                                | 42,498,591        | 57,712,870 | 76,483,034 |

As at 31 December 2023, 2024 and 2025, the aging analysis of trade payables are as follows:

|                        | As at 31 December |            |            |
|------------------------|-------------------|------------|------------|
|                        | 2023              | 2024       | 2025       |
|                        | RMB'000           | RMB'000    | RMB'000    |
| Up to 1 year . . . . . | 41,908,336        | 56,690,909 | 72,956,868 |
| 1 to 2 years . . . . . | 78,664            | 102,710    | 339,287    |
| 2 to 3 years . . . . . | 12,250            | 26,054     | 40,857     |
| Over 3 years . . . . . | 6,755             | 14,861     | 43,926     |
|                        | 42,006,005        | 56,834,534 | 73,380,938 |

The carrying amounts of trade payables are considered approximately to their fair values.

## APPENDIX I

## ACCOUNTANTS' REPORT

| The Company                  | As at 31 December |            |            |
|------------------------------|-------------------|------------|------------|
|                              | 2023              | 2024       | 2025       |
|                              | RMB'000           | RMB'000    | RMB'000    |
| Trade payables . . . . .     |                   |            |            |
| —The third parties . . . . . | 441,662           | 597,002    | 698,035    |
| —The Subsidiaries . . . . .  | 1,829,686         | 960,664    | 1,490,522  |
|                              | 2,271,348         | 1,557,666  | 2,188,557  |
| Note payables. . . . .       | 3,206,774         | 10,175,622 | 16,018,561 |
|                              | 5,478,122         | 11,733,288 | 18,207,118 |

As at 31 December 2023, 2024 and 2025, the aging analysis of trade payables are as follows:

|                        | As at 31 December |           |           |
|------------------------|-------------------|-----------|-----------|
|                        | 2023              | 2024      | 2025      |
|                        | RMB'000           | RMB'000   | RMB'000   |
| Up to 1 year. . . . .  | 2,270,869         | 1,557,160 | 2,188,007 |
| 1 to 2 years . . . . . | 131               | 158       | 49        |
| 2 to 3 years . . . . . | 260               | 4         | 158       |
| Over 3 years . . . . . | 88                | 344       | 343       |
|                        | 2,271,348         | 1,557,666 | 2,188,557 |

### 36 OTHER PAYABLES AND ACCRUALS

| The Group                                        | As at 31 December |            |            |
|--------------------------------------------------|-------------------|------------|------------|
|                                                  | 2023              | 2024       | 2025       |
|                                                  | RMB'000           | RMB'000    | RMB'000    |
| <b>Non-Current</b>                               |                   |            |            |
| Provision (Note a) . . . . .                     | 643               | 7,088      | 607,657    |
| Payroll and welfare payables. . . . .            | —                 | —          | 796,047    |
| Others . . . . .                                 | 1,472             | 757        | 53,527     |
|                                                  | 2,115             | 7,845      | 1,457,231  |
| <b>Current</b>                                   |                   |            |            |
| Payroll and welfare payables. . . . .            | 2,330,319         | 3,011,324  | 4,951,859  |
| Other payables for acquisition of PPE . . . . .  | 3,902,510         | 8,253,459  | 7,529,671  |
| Other taxes payable . . . . .                    | 460,275           | 597,685    | 1,646,794  |
| Accrued expenses . . . . .                       | 340,742           | 398,735    | 991,796    |
| Deposits. . . . .                                | 51,330            | 51,223     | 155,463    |
| Amount due to associates (Note b) . . . . .      | —                 | 19         | 53         |
| Amount due to related parties (Note c) . . . . . | 2,711             | 218        | 209        |
| Dividend payable (Note e). . . . .               | 11,894            | 52,175     | 1,173,209  |
| Others (Note f). . . . .                         | 129,980           | 129,012    | 1,126,437  |
|                                                  | 7,229,761         | 12,493,850 | 17,575,491 |

# APPENDIX I

# ACCOUNTANTS' REPORT

| The Company                                            | As at 31 December |                  |                  |
|--------------------------------------------------------|-------------------|------------------|------------------|
|                                                        | 2023              | 2024             | 2025             |
|                                                        | RMB'000           | RMB'000          | RMB'000          |
| <b>Current</b>                                         |                   |                  |                  |
| Other payables for acquisition of PPE . . . . .        | 23,600            | 52,594           | 117,188          |
| Payroll and welfare payables . . . . .                 | 50,855            | 74,831           | 91,671           |
| Other taxes payable . . . . .                          | 42,236            | 60,996           | 94,108           |
| Amount due to subsidiaries ( <i>Note d</i> ) . . . . . | 6,059,717         | 7,918,624        | 4,602,716        |
| Accruals . . . . .                                     | 4,737             | 1,958            | 4,254            |
| Others . . . . .                                       | 1,507             | 6,493            | 4,160            |
|                                                        | <u>6,182,652</u>  | <u>8,115,496</u> | <u>4,914,097</u> |

## Notes:

- Provision primarily arises from onerous contracts and asset retirement obligations entered or assumed by individual newly acquired companies.
- Amounts due to the associates are trade in nature, unsecured, interest free and repayable on demand.
- Amounts due to the related parties are trade in nature, unsecured, interest free and repayable on demand.
- Amounts due to subsidiaries are trade in nature, unsecured, interest free and repayable on demand.
- All dividend payable had been settled up to the date of report, except for RMB8.0 million of distribution payables related to our partnership with 昆山立訊企業管理服務合夥企業(有限合夥), 嘉善立訊企業管理服務合夥企業(有限合夥) and 鹽城立訊企業管理服務合夥企業(有限合夥), which will be distributed upon the expiration of the partnership.
- Others mainly consist of output VAT to be recognised as other tax payable in future period.

## 37 CONVERTIBLE BONDS

|                                                      | As at 31 December |                  |                  |
|------------------------------------------------------|-------------------|------------------|------------------|
|                                                      | 2023              | 2024             | 2025             |
|                                                      | RMB'000           | RMB'000          | RMB'000          |
| <b>Liability component as at 1 January . . . . .</b> | <b>2,913,755</b>  | <b>2,849,092</b> | <b>3,305,437</b> |
| Issued during the year . . . . .                     | —                 | 449,940          | —                |
| Interest accrual . . . . .                           | 119,976           | 130,703          | 135,437          |
| Interest payment . . . . .                           | (9,000)           | (45,000)         | (54,000)         |
| Conversion . . . . .                                 | (142)             | (84)             | (467)            |
| Repayment during the year . . . . .                  | (181,719)         | (49,930)         | —                |
| Exchange differences . . . . .                       | 6,222             | (29,284)         | 387              |
| <b>Liability component as at 31 December . . .</b>   | <b>2,849,092</b>  | <b>3,305,437</b> | <b>3,386,794</b> |

The Group had following convertible bonds in the following during the Track Record Period:

| Name of bonds                                                                                        | Issuance Amount  | Issuance date | Maturity dates |
|------------------------------------------------------------------------------------------------------|------------------|---------------|----------------|
| Luxshare Convertible Bond 2020<br>(“立訊轉債”) (128136) . . . . .                                        | CNY3,000,000,000 | 2020/11/3     | 2026/11/2      |
| Speed Technology Co., Ltd. (“Speed Tech”)<br>Second Domestic Unsecured Convertible<br>Bond . . . . . | NTD1,000,000,000 | 2021/3/10     | 2024/3/10      |
| Speed Tech Third Domestic Unsecured<br>Convertible Bond . . . . .                                    | NTD2,000,000,000 | 2024/3/6      | 2027/3/6       |

**Luxshare Convertible Bond 2020**

On 3 November 2020, the Company issued 30 million convertible bonds for an aggregate principal amount of RMB3,000 million. The interest rate of the convertible bonds is as below:

First year: 0.10%  
Second year: 0.20%  
Third year: 0.30%  
Fourth year: 1.50%  
Fifth year: 1.80%  
Sixth year: 2.00%

The Convertible bonds will be mature in six years from the issuance date and can be convertible to ordinary shares of the Company at the holder's option at the conversion price of RMB58.62 per share during the period from 10 May 2021 to the maturity date of the convertible bonds, but subject to the adjustment following the conversion terms if the Company triggers anti-dilution provisions. As at 31 December 2025, the adjusted conversion rate for the Luxshare Convertible Bond 2020 was RMB56.14 per share.

During their conversion period, if the closing prices of the Group's A-shares are no less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, the Group has the right to redeem all or part of the outstanding convertible bonds at their par value plus the current accrued interest.

During the last 2 years of conversion period, if the closing prices of the Group's A-shares are lower than 70% (inclusive) of the current conversion price for at least 30 trading days, the holders of the convertible bond have the right to redeem all or part of the outstanding convertible bonds at their par value plus the current accrued interest. Although the bondholders are entitled to request for an early repayment, such conditions had not been triggered on or before 31 December 2023 and 31 December 2024.

Management considered that the fair value of these redemption options of the company at their initial recognition and at the end of each report period are insignificant.

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 recognized on an amortized cost basis until extinguished on conversion or maturity of the convertible bonds. The remainder of the proceeds is allocated to the conversion option and recognized in other equity instrument, net of income tax, and not subsequently remeasured. The effective interest rate of convertible bonds is 4.34%.

For the years ended 31 December 2023, 2024 and 2025, the convertible bonds with principal amount of RMB174,100, RMB102,300 and RMB569,700 were converted into 3,010, 1,790 and 10,073 A shares of the Company, respectively. As a result of the conversion, the capital reserve of RMB170,204, RMB99,990 and RMB556,729 were recognized and the other equity instrument of RMB30,617, RMB17,991 and RMB100,394 were derecognized for the years ended 31 December 2023, 2024 and 2025, respectively. For the year ended 31 December 2025, the convertible bonds with principal amount of RMB1,100 were repurchased. As a result of the repurchase, the other equity instrument of RMB193 were derecognized respectively.

**Speed Tech Second Domestic Unsecured Convertible Bond**

On 10 March 2021, Speed Tech, a not wholly owned subsidiary of the Company, raised and issued 10,000 zero coupon convertible bonds for an aggregate principal amount of NTD1,000 million (equivalent to RMB230 million). The convertible bonds will be mature in three years from the issuance

date and can be convertible to ordinary shares of Speed Tech at the holder's option at the conversion price of NTD100 per share during the period from 11 June 2021 to the maturity date of the convertible bond, but subject to the adjustment following the conversion terms if Speed Tech triggers anti-dilution provisions.

During the year ended 31 December 2023, Speed Tech repurchased the second domestic convertible bond with the face value of NTD785 million (equivalent to RMB182 million) through the OTC trading center. On the maturity date of the bond at 9 March 2024, Speed Tech redeemed the convertible bond with the face value of NTD215 million (equivalent to RMB50 million).

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, if the closing price of the common stock of Speed Tech exceeds 30% (inclusive) of the conversion price for a consecutive period of thirty business days, Speed Tech may redeem all the convertible bonds in cash at face value within the following thirty business days.

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, when the aggregate principal amount of the outstanding convertible bonds represents less than 10% of the aggregate principal amount of the convertible bonds originally issued, Speed Tech may at any time elect to redeem all, but not some only, of such convertible bonds at their principal amount.

The early redemption options (classified as a financial liability), which were initially measured at fair value amounting to RMB41,000 and subsequently measured at fair value with changes in fair value recognized in profit or loss.

Management considered that the fair value of these redemption options of the company at their initial recognition and at the end of each report period are insignificant.

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 recognized on an amortized cost basis until extinguished on conversion or maturity of the convertible bonds. The remainder of the proceeds is allocated to the conversion option and recognized in other equity instrument, net of income tax, and not subsequently remeasured. The effective interest rate of convertible bonds is 1.22%.

For the years ended 31 December 2023, 2024 and 2025, no convertible bond was converted into shares of Speed Tech.

### **Speed Tech Third Domestic Unsecured Convertible Bond**

On 6 March 2024, Speed Tech issued 20,000 zero coupon convertible bonds for an aggregate principal amount of NTD2,000 million (equivalent to RMB450 million). The Convertible bonds will be mature in three years from the issuance date and can be convertible to ordinary shares of Speed Tech at the holder's option at the conversion price of NTD69.5 per share during the period from 7 June 2024 to the maturity date of the convertible bonds, but subject to the adjustment following the conversion terms if Speed Tech triggers anti-dilution provisions.

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, if the closing price of the common stock of Speed Tech exceeds 30% (inclusive) of the conversion price for a consecutive period of thirty business days, Speed Tech may redeem all the convertible bonds in cash at face value within the following thirty business days.

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, when the aggregate principal amount of the outstanding convertible bonds represents less than 10% of the aggregate principal amount of the convertible bonds originally issued, Speed Tech may at any time elect to redeem all, but not some only, of such convertible bonds at their principal amount. Management does not expect the redemption condition to be triggered.

Management considered that the fair value of these redemption options of the company at their initial recognition and at the end of each report period are insignificant.

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 recognized on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and recognized in other equity instrument, net of income tax, and not subsequently remeasured, the effective interest rate of convertible bonds is 1.95%.

Since the convertible bonds was issued by Speed Tech on March 6, 2024, no convertible bond was converted into shares of Speed Tech.

### 38 MEDIUM-TERM NOTES

| The Group                     | As at 31 December |                |                |
|-------------------------------|-------------------|----------------|----------------|
|                               | 2023              | 2024           | 2025           |
|                               | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Non-current portion . . . . . | —                 | —              | 3,055,652      |
|                               |                   |                |                |
| Name of notes                 | Issuance Amount   | Issuance date  | Maturity dates |
| 25立訊精工MTN001 . . . . .        | 1,500,000,000     | 2025/1/13      | 2028/1/12      |
| 25立訊精工MTN002 . . . . .        | 1,500,000,000     | 2025/2/19      | 2028/2/18      |

### 39 SHORT TERM FINANCING BILLS

#### The Group and Company

| The Group and Company                | As at 31 December |                |                |
|--------------------------------------|-------------------|----------------|----------------|
|                                      | 2023              | 2024           | 2025           |
|                                      | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Short term financing bills . . . . . | 802,722           | 5,039,812      | 6,024,479      |

#### 2023

| Name                                 | Face Value   | Date of Issuance | Ending balance |
|--------------------------------------|--------------|------------------|----------------|
|                                      |              |                  | <i>RMB'000</i> |
| Short term financing bills . . . . . | RMB100/units | 2023/11/15       | 802,722        |
|                                      |              |                  | 802,722        |



**2024**

| Name                                 | Face Value   | Date of Issuance | Ending balance   |
|--------------------------------------|--------------|------------------|------------------|
|                                      |              |                  | <i>RMB'000</i>   |
| Short term financing bills . . . . . | RMB100/units | 2024/6/28        | 1,010,243        |
| Short term financing bills . . . . . | RMB100/units | 2024/7/12        | 1,009,283        |
| Short term financing bills . . . . . | RMB100/units | 2024/7/24        | 1,008,592        |
| Short term financing bills . . . . . | RMB100/units | 2024/9/20        | 1,005,980        |
| Short term financing bills . . . . . | RMB100/units | 2024/9/25        | 1,005,714        |
|                                      |              |                  | <u>5,039,812</u> |

**2025**

| Name                                 | Face Value   | Date of Issuance | Ending balance   |
|--------------------------------------|--------------|------------------|------------------|
|                                      |              |                  | <i>RMB'000</i>   |
| Short term financing bills . . . . . | RMB100/units | 2025/5/12        | 1,010,916        |
| Short term financing bills . . . . . | RMB100/units | 2025/7/9         | 1,007,479        |
| Short term financing bills . . . . . | RMB100/units | 2025/10/27       | 1,003,099        |
| Short term financing bills . . . . . | RMB100/units | 2025/11/19       | 801,565          |
| Short term financing bills . . . . . | RMB100/units | 2025/12/12       | 1,201,081        |
| Short term financing bills . . . . . | RMB100/units | 2025/12/24       | 1,000,339        |
|                                      |              |                  | <u>6,024,479</u> |

**40 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

| The Group                                    | As at 31 December |                |                |
|----------------------------------------------|-------------------|----------------|----------------|
|                                              | 2023              | 2024           | 2025           |
|                                              | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Financial liabilities at FVTPL               |                   |                |                |
| — Derivative financial liabilities . . . . . | 117,942           | 155,279        | 424,219        |
|                                              | <u>117,942</u>    | <u>155,279</u> | <u>424,219</u> |

**41 DEFERRED INCOME****The Group**

|                                                                  |                  |
|------------------------------------------------------------------|------------------|
|                                                                  | <i>RMB'000</i>   |
| At 1 January 2023 . . . . .                                      | 665,910          |
| Additions during the year . . . . .                              | 118,234          |
| Recognized in consolidated statement of profit or loss . . . . . | (188,820)        |
| At 31 December 2023 and 1 January 2024 . . . . .                 | 595,324          |
| Acquisition of subsidiaries . . . . .                            | 8,858            |
| Additions during the year . . . . .                              | 216,564          |
| Recognized in consolidated statement of profit or loss . . . . . | (171,637)        |
| At 31 December 2024 and 1 January 2025 . . . . .                 | 649,109          |
| Acquisition of subsidiaries . . . . .                            | 324,027          |
| Additions during the year . . . . .                              | 394,330          |
| Recognised in consolidated statement of profit or loss . . . . . | (229,045)        |
| At 31 December 2025 . . . . .                                    | <u>1,138,421</u> |

**The Company**

|                                                                  | <i>RMB'000</i> |
|------------------------------------------------------------------|----------------|
| At 1 January 2023 . . . . .                                      | 5,766          |
| Recognized in consolidated statement of profit or loss . . . . . | (2,147)        |
| At 31 December 2023 and 1 January 2024 . . . . .                 | 3,619          |
| Recognized in consolidated statement of profit or loss . . . . . | (1,593)        |
| At 31 December 2024 and 1 January 2025 . . . . .                 | 2,026          |
| Recognised in consolidated statement of profit or loss . . . . . | (1,507)        |
| At 31 December 2025 . . . . .                                    | 519            |

*Note:* It mainly comprise incentives provided by local authorities. The amounts received are treated as deferred income and will be released to profit or loss over the estimated useful lives of the underlying property, plant and equipment or over the period. There is no unfulfilled obligations for the recognized income at the end of reporting date for each of the Track Report Periods.

**42 SHARE CAPITAL**

Share capital is generated from founders' and investors' capital injection.

| <b>The Group and Company</b>                             | <b>Number of<br/>registered, issued<br/>and fully paid<br/>ordinary shares</b> | <b>Equivalent<br/>nominal value of<br/>shares</b> |
|----------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------|
|                                                          |                                                                                | <i>RMB'000</i>                                    |
| As at 1 January 2023 . . . . .                           | 7,099,909                                                                      | 7,099,909                                         |
| Share-based Payment . . . . .                            | 48,256                                                                         | 48,256                                            |
| Exercise conversion right of convertible bonds . . . . . | 3                                                                              | 3                                                 |
| As at 31 December 2023 and 1 January 2024 . . . . .      | 7,148,168                                                                      | 7,148,168                                         |
| Share-based Payment . . . . .                            | 88,292                                                                         | 88,292                                            |
| Exercise conversion right of convertible bonds . . . . . | 2                                                                              | 2                                                 |
| As at 31 December 2024 and 1 January 2025 . . . . .      | 7,236,462                                                                      | 7,236,462                                         |
| Share-based Payment . . . . .                            | 47,971                                                                         | 47,971                                            |
| Exercise conversion right of convertible bonds . . . . . | 10                                                                             | 10                                                |
| At 31 December 2025 . . . . .                            | 7,284,443                                                                      | 7,284,443                                         |

**43 RESERVE**

The changes therein are presented in the consolidated statements of changes in equity.

## The Group

|                                                                                      | Capital<br>Reserves | Surplus<br>Reserves | Special<br>Reserves | Total          |
|--------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|----------------|
|                                                                                      | <i>RMB'000</i>      | <i>RMB'000</i>      | <i>RMB'000</i>      | <i>RMB'000</i> |
| As at 1 January 2023 . . . . .                                                       | 3,652,625           | 1,121,073           | 2,095               | 4,775,793      |
| Exercise of share incentive<br>scheme-Employee Stock Options . . . .                 | 498,442             | —                   | —                   | 498,442        |
| Exercise of conversion right of<br>convertible bonds . . . . .                       | 170                 | —                   | —                   | 170            |
| Share-based payment expense . . . . .                                                | 744,409             | —                   | —                   | 744,409        |
| Changes in the Group's ownership<br>interest in existing investment . . . . .        | 116,298             | —                   | —                   | 116,298        |
| Profit appropriations to statutory<br>reserve . . . . .                              | —                   | 322,447             | —                   | 322,447        |
| Appropriation of special reserves . . . . .                                          | —                   | —                   | 1,433               | 1,433          |
| Total transactions with owners in their<br>capacity as owners for the year . . . . . | 1,359,319           | 322,447             | 1,433               | 1,683,199      |
| As at 31 December 2023 . . . . .                                                     | 5,011,944           | 1,443,520           | 3,528               | 6,458,992      |
|                                                                                      |                     |                     |                     |                |
|                                                                                      | Capital<br>Reserves | Surplus<br>Reserves | Special<br>Reserves | Total          |
|                                                                                      | <i>RMB'000</i>      | <i>RMB'000</i>      | <i>RMB'000</i>      | <i>RMB'000</i> |
| As at 1 January 2024 . . . . .                                                       | 5,011,944           | 1,443,520           | 3,528               | 6,458,992      |
| Exercise of share incentive<br>scheme-Employee Stock Options . . . .                 | 1,719,094           | —                   | —                   | 1,719,094      |
| Exercise of conversion right of<br>convertible bonds . . . . .                       | 8,913               | —                   | —                   | 8,913          |
| Share-based payment expense . . . . .                                                | 414,926             | —                   | —                   | 414,926        |
| Changes in the Group's ownership<br>interest in existing investment . . . . .        | 391,349             | —                   | —                   | 391,349        |
| Profit appropriations to statutory<br>reserve . . . . .                              | —                   | 174,000             | —                   | 174,000        |
| Usage of special reserves . . . . .                                                  | —                   | —                   | (1,332)             | (1,332)        |
| Total transactions with owners in their<br>capacity as owners for the year . . . . . | 2,534,282           | 174,000             | (1,332)             | 2,706,950      |
| As at 31 December 2024 . . . . .                                                     | 7,546,226           | 1,617,520           | 2,196               | 9,165,942      |

# APPENDIX I

# ACCOUNTANTS' REPORT

|                                                                                   | Capital Reserves | Surplus Reserves | Special Reserves | Total          |
|-----------------------------------------------------------------------------------|------------------|------------------|------------------|----------------|
|                                                                                   | <i>RMB'000</i>   | <i>RMB'000</i>   | <i>RMB'000</i>   | <i>RMB'000</i> |
| As at 1 January 2025 . . . . .                                                    | 7,546,226        | 1,617,520        | 2,196            | 9,165,942      |
| Exercise of share incentive scheme-Employee Stock Options . . . .                 | 1,320,463        | —                | —                | 1,320,463      |
| Exercise of conversion right of convertible bonds . . . . .                       | 557              | —                | —                | 557            |
| Share-based payment expense . . . . .                                             | 496,983          | —                | —                | 496,983        |
| Changes in the Group's ownership interest in existing investment . . . . .        | 580,552          | —                | —                | 580,552        |
| Profit appropriations to statutory reserve . . . . .                              | —                | 507,713          | —                | 507,713        |
| Usage of special reserves . . . . .                                               | —                | —                | 9,584            | 9,584          |
| Total transactions with owners in their capacity as owners for the year . . . . . | 2,398,555        | 507,713          | 9,584            | 2,915,852      |
| As at 31 December 2025 . . . . .                                                  | 9,944,781        | 2,125,233        | 11,780           | 12,081,794     |

## The Company

|                                                                                   | Capital Reserves | Surplus Reserves | Total          |
|-----------------------------------------------------------------------------------|------------------|------------------|----------------|
|                                                                                   | <i>RMB'000</i>   | <i>RMB'000</i>   | <i>RMB'000</i> |
| As at 1 January 2023 . . . . .                                                    | 4,069,646        | 1,121,072        | 5,190,718      |
| Exercise of share incentive scheme-Employee Stock Options . . . . .               | 498,442          | —                | 498,442        |
| Exercise conversion right of convertible bonds . . . . .                          | 170              | —                | 170            |
| Share-based payment expense . . . . .                                             | 780,665          | —                | 780,665        |
| Profit appropriations to statutory reserve . . . .                                | —                | 322,447          | 322,447        |
| Others . . . . .                                                                  | (44,490)         | —                | (44,490)       |
| Total transactions with owners in their capacity as owners for the year . . . . . | 1,234,787        | 322,447          | 1,557,234      |
| As at 31 December 2023 . . . . .                                                  | 5,304,433        | 1,443,519        | 6,747,952      |

|                                                                                   | Capital Reserves | Surplus Reserves | Total          |
|-----------------------------------------------------------------------------------|------------------|------------------|----------------|
|                                                                                   | <i>RMB'000</i>   | <i>RMB'000</i>   | <i>RMB'000</i> |
| As at 1 January 2024 . . . . .                                                    | 5,304,433        | 1,443,519        | 6,747,952      |
| Exercise of share incentive scheme-Employee Stock Options . . . . .               | 1,719,094        | —                | 1,719,094      |
| Exercise conversion right of convertible bonds . . . . .                          | 100              | —                | 100            |
| Share-based payment expense . . . . .                                             | 422,373          | —                | 422,373        |
| Profit appropriations to statutory reserve . . . .                                | —                | 174,000          | 174,000        |
| Total transactions with owners in their capacity as owners for the year . . . . . | 2,141,567        | 174,000          | 2,315,567      |
| As at 31 December 2024 . . . . .                                                  | 7,446,000        | 1,617,519        | 9,063,519      |

# APPENDIX I

# ACCOUNTANTS' REPORT

|                                                                                              | Capital Reserves | Surplus Reserves | Total          |
|----------------------------------------------------------------------------------------------|------------------|------------------|----------------|
|                                                                                              | <i>RMB'000</i>   | <i>RMB'000</i>   | <i>RMB'000</i> |
| <b>As at 1 January 2025</b> . . . . .                                                        | 7,446,000        | 1,617,519        | 9,063,519      |
| Exercise of share incentive scheme-Employee<br>Stock Options . . . . .                       | 1,320,463        | —                | 1,320,463      |
| Exercise conversion right of convertible<br>bonds . . . . .                                  | 557              | —                | 557            |
| Share-based payment expense . . . . .                                                        | 549,549          | —                | 549,549        |
| Profit appropriations to statutory reserve . . . .                                           | —                | 507,713          | 507,713        |
| <b>Total transactions with owners in their<br/>capacity as owners for the year</b> . . . . . | 1,870,569        | 507,713          | 2,378,282      |
| <b>As at 31 December 2025</b> . . . . .                                                      | 9,316,569        | 2,125,232        | 11,441,801     |

## 44 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

|                                                                            | 2023   | 2024   | 2025   |
|----------------------------------------------------------------------------|--------|--------|--------|
| <b>Percentage of equity interest held by<br/>non-controlling interests</b> |        |        |        |
| Speed Tech Technology Co., Ltd. ( <i>Note</i> ) . . . .                    | 68.85% | 69.54% | 76.36% |
| 昆山立訊企業管理服務合夥企業(有限合夥) . .                                                   | 20.00% | 20.00% | 20%    |
| Luxcase ICT Yancheng . . . . .                                             | 50.25% | 50.25% | 50.25% |

### Profit/(loss) for the year allocated to non-controlling interests:

|                                                                                     | 2023           | 2024           | 2025           |
|-------------------------------------------------------------------------------------|----------------|----------------|----------------|
|                                                                                     | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Speed Tech Technology Co., Ltd. . . . .                                             | 154,962        | 244,784        | 277,964        |
| 昆山立訊企業管理服務合夥企業(有限合夥) . .                                                            | 159            | 23             | (188)          |
| Luxcase ICT Yancheng . . . . .                                                      | 987,343        | 761,377        | 902,864        |
| <b>Dividends paid to non-controlling interests</b>                                  |                |                |                |
| Speed Tech Technology Co., Ltd. . . . .                                             | 49,756         | 8,709          | 38,703         |
| 昆山立訊企業管理服務合夥企業(有限合夥) . .                                                            | 4,181          | 106            | —              |
| Luxcase ICT Yancheng . . . . .                                                      | —              | —              | —              |
| <b>Accumulated balances of non-controlling<br/>interests at the reporting date:</b> |                |                |                |
| Speed Tech Technology Co., Ltd. . . . .                                             | 1,965,290      | 2,248,465      | 2,252,239      |
| 昆山立訊企業管理服務合夥企業(有限合夥) . .                                                            | 2,000,000      | 2,000,000      | 812            |
| Luxcase ICT Yancheng . . . . .                                                      | 7,584,968      | 8,415,126      | 9,428,229      |

*Note:* Speed Tech is a listed company with a widely dispersed public float. As the single largest shareholder consistently, the Group has the practical ability to direct the relevant activities of Speed Tech unilaterally and to obtain variable returns through such rights.

## APPENDIX I

## ACCOUNTANTS' REPORT

The following tables illustrate the summarised financial information of the Speed Tech Technology Co., Ltd.. The amounts disclosed are before any inter-company eliminations:

|                                                                | As at 31 December |             |             |
|----------------------------------------------------------------|-------------------|-------------|-------------|
|                                                                | 2023              | 2024        | 2025        |
|                                                                | RMB'000           | RMB'000     | RMB'000     |
| Revenue . . . . .                                              | 3,879,057         | 5,182,808   | 5,479,109   |
| Total expenses . . . . .                                       | (3,716,969)       | (4,913,342) | (5,173,174) |
| Profit for the year . . . . .                                  | 162,088           | 269,466     | 305,935     |
| Total comprehensive income for the year . . . .                | 165,659           | 271,328     | 294,932     |
| Current assets . . . . .                                       | 3,496,166         | 3,815,196   | 4,081,293   |
| Non-current assets . . . . .                                   | 1,788,979         | 2,577,040   | 2,968,736   |
| Current liabilities . . . . .                                  | (2,586,653)       | (2,926,300) | (3,622,508) |
| Non-current liabilities . . . . .                              | (442,447)         | (893,169)   | (912,353)   |
| Net cash flows from operating activities . . . .               | 952,260           | 1,239,619   | 594,852     |
| Net cash flows from/(used in) investing activities . . . . .   | (525,187)         | (609,628)   | (646,450)   |
| Net cash flows used in financing activities . .                | (138,109)         | (259,025)   | 235,065     |
| Net increase/(decrease) in cash and cash equivalents . . . . . | 336,634           | 358,842     | 59,870      |

The following tables illustrate the summarised financial information of the 昆山立訊企業管理服務合夥企業(有限合夥). The amounts disclosed are before any inter-company eliminations:

|                                                                | As at 31 December |              |                |
|----------------------------------------------------------------|-------------------|--------------|----------------|
|                                                                | 2023              | 2024         | 2025           |
|                                                                | RMB'000           | RMB'000      | RMB'000        |
| Revenue . . . . .                                              | —                 | —            | —              |
| Total expenses . . . . .                                       | 797.00            | 117.00       | (939.00)       |
| Profit for the year . . . . .                                  | 797.00            | 117.00       | (939.00)       |
| Total comprehensive income for the year . . . .                | 797.00            | 117.00       | (939.00)       |
| Current assets . . . . .                                       | 31,600.00         | 28,017.00    | 28,011.00      |
| Non-current assets . . . . .                                   | 2,200,000.00      | 2,200,000.00 | 2,200,000.00   |
| Current liabilities . . . . .                                  | (31,600.00)       | (28,017.00)  | (2,027,950.00) |
| Non-current liabilities . . . . .                              | —                 | —            | —              |
| Net cash flows from operating activities . . . .               | 797.00            | 116.00       | (6.00)         |
| Net cash flows from/(used in) investing activities . . . . .   | —                 | —            | —              |
| Net cash flows used in financing activities . .                | (750.00)          | (3,700.00)   | —              |
| Net increase/(decrease) in cash and cash equivalents . . . . . | 47.00             | (3,584.00)   | (6.00)         |



The following tables illustrate the summarised financial information of the Luxcase ICT Yancheng. The amounts disclosed are before any inter-company eliminations:

|                                                                | As at 31 December |                |                |
|----------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                | 2023              | 2024           | 2025           |
|                                                                | <i>RMB'000</i>    | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue . . . . .                                              | 79,079,114        | 91,031,818     | 82,826,830     |
| Total expenses . . . . .                                       | (77,073,936)      | (89,484,216)   | (80,991,619)   |
| Profit for the year . . . . .                                  | 2,005,178         | 1,547,603      | 1,835,211      |
| Total comprehensive income for the year . . . .                | 1,986,455         | 1,558,431      | 1,843,862      |
| Current assets . . . . .                                       | 25,423,036        | 37,161,395     | 52,700,548     |
| Non-current assets . . . . .                                   | 9,971,661         | 11,505,919     | 13,516,697     |
| Current liabilities . . . . .                                  | (20,145,947)      | (31,773,635)   | (46,570,398)   |
| Non-current liabilities . . . . .                              | (441,492)         | (401,930)      | (1,142,204)    |
| Net cash flows from operating activities . . . .               | 6,533,472         | 8,840,660      | 16,897,150     |
| Net cash flows from/(used in) investing activities . . . . .   | (2,211,349)       | (7,806,372)    | (23,792,813)   |
| Net cash flows used in financing activities . .                | (372,757)         | 7,117,798      | 14,317,239     |
| Net increase/(decrease) in cash and cash equivalents . . . . . | 3,812,084         | 8,048,169      | 6,964,570      |

#### 45 EQUITY-SETTLED SHARE-BASED PAYMENT

During the Track Record Period, the Group has the following share options:

- 1 2018 Share Option Incentive Scheme
- 2 2019 Share Option Incentive Scheme
- 3 2021 Share Option Incentive Scheme
- 4 2022 Share Option Incentive Scheme
- 5 2025 Share Option Incentives Scheme
- 6 2018 Share Option Incentive Scheme—Speed Tech—B
- 7 2021 Share Option Incentive Scheme—Speed Tech—D
- 8 2023 Share Option Incentive Scheme—Time Interconnect—T
- 9 Others

Detailed information of major share options are listed below:

##### (a) 2018 Share option incentives plan

The Company adopted a Share Option Incentive Scheme in 2018 (the “**2018 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the 2018 Share Option Incentive Scheme, the Company granted 97,300,000 share options to 1,870 incentive recipients with a grant date of 25 September 2018, and an exercise price of RMB17.58 per share.

According to the Company’s performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2018 Share Option Incentive Scheme each year and the details are shown as below.

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| Financial Year | Reason for adjustment                                 | Exercise Price<br>(RMB) | No. of Options |
|----------------|-------------------------------------------------------|-------------------------|----------------|
| 2019 . . . . . | Pursuant to the profit distribution completed in 2018 | 13.48                   | 122,327,530    |
| 2020 . . . . . | Pursuant to the profit distribution completed in 2019 | 10.28                   | 128,698,841    |
| 2021 . . . . . | Pursuant to the profit distribution completed in 2020 | 10.17                   | No Adjustment  |
| 2022 . . . . . | Pursuant to the profit distribution completed in 2021 | 10.06                   | No Adjustment  |
| 2023 . . . . . | Pursuant to the profit distribution completed in 2022 | 9.93                    | No Adjustment  |
| 2024 . . . . . | Pursuant to the profit distribution completed in 2023 | 9.63                    | No Adjustment  |

A summary of activities of the service-based share option is presented as follows:

|                                              | Number of share option | Weighted average exercise price | Weighted average remaining contractual term (Months) |
|----------------------------------------------|------------------------|---------------------------------|------------------------------------------------------|
| As at 1 January 2023 . . . . .               | 44,480,952             | 10.06                           | 21.13                                                |
| Vested and exercised. . . . .                | (26,756,785)           | 9.93                            | —                                                    |
| Canceled . . . . .                           | (1,314,426)            | 9.93                            | —                                                    |
| <b>As at 31 December 2023 . . . . .</b>      | <b>16,409,741</b>      | <b>9.93</b>                     | <b>8.97</b>                                          |
| Exercisable at the end of the year . . . . . | 16,409,741             |                                 |                                                      |
| As at 1 January 2024 . . . . .               | 16,409,741             | 9.93                            | 8.97                                                 |
| Vested and exercised. . . . .                | (16,409,741)           | 9.63                            | —                                                    |
| <b>As at 31 December 2024 . . . . .</b>      | <b>—</b>               | <b>—</b>                        | <b>—</b>                                             |
| Exercisable at the end of the year . . . . . | —                      |                                 |                                                      |

The estimated fair values of share options granted to employees and directors were RMB469,755,000.

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

|                         |                     |
|-------------------------|---------------------|
| Vesting Date            | 2019/9/25–2023/9/25 |
| Grant date              | 25 September 2018   |
| Stock Price             | RMB16.65            |
| Exercise price          | RMB17.58            |
| Volatility              | 38.37%              |
| Risk-free interest rate | 3.05%–3.5%          |
| Time to maturity        | 6.0 years           |
| Dividend yield          | 0.26%               |

Volatility is derived from the Company's historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

**(b) 2019 Share option incentives plan**

The Company adopted a Share Option Incentive Scheme in 2019 (the “**2019 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the First Grant of 2019 Share Option Incentive Scheme, the Company granted 50,076,000 share options to 348 incentive recipients with a grant date of 22 April 2019, and an exercise price of RMB23.36 per share.

Under the Second Grant of 2019 Share Option Incentive Scheme, the Company granted 16,241,700 share options to 258 incentive recipients with a grant date of 27 November 2019, and an exercise price of RMB17.93 per share.

According to the Company's performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2019 Share Option Incentive Scheme each year and the details are shown as below.

| Financial Year | Reason for adjustment                                 | First Grant    |                | Second Grant   |                |
|----------------|-------------------------------------------------------|----------------|----------------|----------------|----------------|
|                |                                                       | Exercise Price | No. of Options | Exercise Price | No. of Options |
|                |                                                       | (RMB)          |                | (RMB)          |                |
| 2019 . . . . . | Pursuant to the profit distribution completed in 2018 | 17.93          | 65,098,800     | N/A            | N/A            |
| 2020 . . . . . | Pursuant to the profit distribution completed in 2019 | 13.70          | 84,626,558     | 13.70          | 21,113,740     |
| 2021 . . . . . | Pursuant to the profit distribution completed in 2020 | 13.59          | No Adjustment  | 13.59          | No Adjustment  |
| 2022 . . . . . | Pursuant to the profit distribution completed in 2021 | 13.48          | No Adjustment  | 13.48          | No Adjustment  |
| 2023 . . . . . | Pursuant to the profit distribution completed in 2022 | 13.35          | No Adjustment  | 13.35          | No Adjustment  |
| 2024 . . . . . | Pursuant to the profit distribution completed in 2023 | 13.05          | No Adjustment  | 13.05          | No Adjustment  |
| 2025 . . . . . | Pursuant to the profit distribution completed in 2024 | 12.85          | No Adjustment  | 12.85          | No Adjustment  |

A summary of activities of the service-based share option is presented as follows:

|                                    | Number of share option | Weighted average exercise price | Weighted average remaining contractual term (Months) |
|------------------------------------|------------------------|---------------------------------|------------------------------------------------------|
| As at 1 January 2023               | 47,561,834             | 13.48                           | 29.94                                                |
| Vested and exercised               | (18,438,394)           | 13.35                           | —                                                    |
| Canceled                           | (1,964,760)            | 13.35                           | —                                                    |
| <b>As at 31 December 2023</b>      | <b>27,158,680</b>      | <b>13.35</b>                    | <b>17.93</b>                                         |
| Exercisable at the end of the year | 4,112,714              |                                 |                                                      |
| As at 1 January 2024               | 27,158,680             | 13.35                           | 17.93                                                |
| Vested and exercised               | (19,306,990)           | 13.05                           | —                                                    |
| Canceled                           | (652,168)              | 13.05                           | —                                                    |
| <b>As at 31 December 2024</b>      | <b>7,199,522</b>       | <b>13.05</b>                    | <b>7.37</b>                                          |
| Exercisable at the end of the year | 3,611,887              |                                 |                                                      |
| As at 1 January 2025               | 7,199,522              | 13.05                           | 7.37                                                 |
| Vested and exercised               | (6,834,981)            | 12.85                           | —                                                    |
| Cancelled                          | (338,541)              | —                               | —                                                    |
| <b>As at 31 December 2025</b>      | <b>26,000</b>          | <b>—</b>                        | <b>—</b>                                             |
| Exercisable at the end of the year | 26,000                 |                                 |                                                      |

The estimated fair values of First Grant and Second Grant share options granted to employees and directors were RMB371,263,500 and RMB315,306,000.

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

The key inputs in the model are as follows:

|                           | First Grant         | Second Grant          |
|---------------------------|---------------------|-----------------------|
| Vesting Date              | 2020/4/22–2024/4/22 | 2020/11/27–2024/11/27 |
| Grant date                | 22 April 2019       | 27 November 2019      |
| Option pricing model used | Black-Scholes model | Black-Scholes model   |
| Stock Price               | RMB23.32            | RMB34.58              |
| Exercise price            | RMB23.36            | RMB17.93              |
| Volatility                | 40.81%              | 40.81%                |
| Risk-free interest rate   | 2.4901%–3.0366%     | 2.7019%–3.0593%       |
| Time to maturity          | 6.0 years           | 6.0 years             |
| Dividend yield            | 0.26%               | 0.36%                 |

Volatility is derived from the Company's historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised

in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

**(c) 2021 Share option incentives plan**

The Company adopted a Share Option Incentive Scheme in 2021 (the “**2021 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the First Grant of 2021 Share Option Incentive Scheme, the Company granted 52,092,000 share options to 1,072 incentive recipients with a grant date of 3 December 2021, and an exercise price of RMB35.87 per share.

Under the Second Grant of 2021 Share Option Incentive Scheme, the Company granted 12,785,800 share options to 356 incentive recipients with a grant date of 19 October 2022, and an exercise price of RMB35.76 per share.

According to the Company's performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2021 Share Option Incentive Scheme each year and the details are shown as below.

| Financial Year | Reason for adjustment                                 | First Grant    |                | Second Grant   |                |
|----------------|-------------------------------------------------------|----------------|----------------|----------------|----------------|
|                |                                                       | Exercise Price | No. of Options | Exercise Price | No. of Options |
|                |                                                       | (RMB)          |                | (RMB)          |                |
| 2022 . . . . . | Pursuant to the profit distribution completed in 2021 | 35.76          | No Adjustment  | NA             | NA             |
| 2023 . . . . . | Pursuant to the profit distribution completed in 2022 | 35.63          | No Adjustment  | 35.63          | No Adjustment  |
| 2024 . . . . . | Pursuant to the profit distribution completed in 2023 | 35.33          | No Adjustment  | 35.33          | No Adjustment  |
| 2025 . . . . . | Pursuant to the profit distribution completed in 2024 | 35.13          | No Adjustment  | 35.13          | No Adjustment  |

A summary of activities of the service-based share option is presented as follows:

|                                    | Number of share option | Weighted average exercise price | Weighted average remaining contractual term (Months) |
|------------------------------------|------------------------|---------------------------------|------------------------------------------------------|
| As at 1 January 2023               | 64,877,800             | 35.76                           | 62.04                                                |
| Vested and exercised               | (1)                    | 35.63                           | —                                                    |
| Canceled                           | (5,661,824)            | 35.63                           | —                                                    |
| <b>As at 31 December 2023</b>      | <b>59,215,975</b>      | <b>35.63</b>                    | <b>49.84</b>                                         |
| Exercisable at the end of the year | 11,757,975             |                                 |                                                      |
| As at 1 January 2024               | 59,215,975             | 35.63                           | 49.84                                                |
| Vested and exercised               | (10,249,260)           | 35.33                           | —                                                    |
| Canceled                           | (5,929,152)            | 35.33                           | —                                                    |
| Lapsed                             | (9,526,059)            | 35.33                           | —                                                    |
| <b>As at 31 December 2024</b>      | <b>33,511,504</b>      | <b>35.33</b>                    | <b>38.26</b>                                         |
| Exercisable at the end of the year | —                      |                                 |                                                      |
| As at 1 January 2025               | 33,511,504             | 35.33                           | 38.26                                                |
| Vested and exercised               | (11,456,826)           | 35.13                           | —                                                    |
| Cancelled                          | (685,524)              | 35.13                           | —                                                    |
| Lapsed                             | (15,600)               | 35.13                           | —                                                    |
| <b>As at 31 December 2025</b>      | <b>21,353,554</b>      | <b>35.13</b>                    | <b>25.63</b>                                         |
| Exercisable at the end of the year | 660,780                |                                 |                                                      |

The estimated fair values of First Grant and Second Grant share options granted to employees and directors were RMB602,189,500 and RMB157,421,700.

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

The key inputs in the model are as follows:

|                           | First Grant           | Second Grant          |
|---------------------------|-----------------------|-----------------------|
| Vesting Date              | 2022/12/03–2026/12/03 | 2023/10/19–2027/10/19 |
| Grant date                | 3 December 2021       | 19 October 2022       |
| Option pricing model used | Black-Scholes model   | Black-Scholes model   |
| Stock Price               | RMB35.71              | RMB34.91              |
| Exercise price            | RMB35.87              | RMB35.76              |
| Volatility                | 41.7810%              | 47.0664%              |
| Risk-free interest rate   | 2.4553%–2.7608%       | 1.9417%–2.5180%       |
| Time to maturity          | 6.0 years             | 6.0 years             |
| Dividend yield            | 0.1960%               | 0.2235%               |

Volatility is derived from the Company's historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised

in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

**(d) 2022 Share option incentives plan**

The Company adopted a Share Option Incentive Scheme in 2022 (the “**2022 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the 2022 Share Option Incentive Scheme, the Company granted 168,513,000 share options to 3,505 incentive recipients with a grant date of 5 December 2022, and an exercise price of RMB30.35 per share.

According to the Company's performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2022 Share Option Incentive Scheme each year and the details are shown as below.

| Financial Year | Reason for adjustment                                 | Exercise Price<br>(RMB) | No. of Options |
|----------------|-------------------------------------------------------|-------------------------|----------------|
| 2023 . . . . . | Pursuant to the profit distribution completed in 2022 | 30.22                   | No adjustment  |
| 2024 . . . . . | Pursuant to the profit distribution completed in 2023 | 29.92                   | No adjustment  |
| 2025 . . . . . | Pursuant to the profit distribution completed in 2024 | 29.72                   | No Adjustment  |

A summary of activities of the service-based share option is presented as follows:

|                                              | Number of share option | Weighted average exercise price | Weighted average remaining contractual term (Months) |
|----------------------------------------------|------------------------|---------------------------------|------------------------------------------------------|
| As at 1 January 2023 . . . . .               | 168,513,000            | 30.35                           | 72.20                                                |
| Lapsed . . . . .                             | —                      | —                               | —                                                    |
| <b>As at 31 December 2023 . . . . .</b>      | <b>168,513,000</b>     | <b>30.22</b>                    | <b>60.03</b>                                         |
| Exercisable at the end of the year . . . . . | —                      | —                               | —                                                    |
| As at 1 January 2024 . . . . .               | 168,513,000            | 30.22                           | 60.03                                                |
| Vested and exercised . . . . .               | (30,651,856)           | 29.92                           | —                                                    |
| Canceled . . . . .                           | (10,383,480)           | 29.92                           | —                                                    |
| <b>As at 31 December 2024 . . . . .</b>      | <b>127,477,664</b>     | <b>29.92</b>                    | <b>47.83</b>                                         |



|                                              | Number of share option | Weighted average exercise price | Weighted average remaining contractual term (Months) |
|----------------------------------------------|------------------------|---------------------------------|------------------------------------------------------|
| Exercisable at the end of the year . . . . . | 637,104                |                                 |                                                      |
| As at 1 January 2025 . . . . .               | 127,477,664            | 29.92                           | 47.83                                                |
| Vested and exercised. . . . .                | (29,692,840)           | 29.72                           | —                                                    |
| Cancelled. . . . .                           | (5,366,760)            | 29.92                           | —                                                    |
| Lapsed. . . . .                              | (637,104)              | 29.72                           | —                                                    |
| <b>As at 31 December 2025 . . . . .</b>      | <b>91,780,960</b>      | <b>29.92</b>                    | <b>35.67</b>                                         |
| Exercisable at the end of the year . . . . . | 424,960                |                                 |                                                      |

The estimated fair values of share options granted to employees and directors were RMB1,664,131,200.

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

|                           |                     |
|---------------------------|---------------------|
| Vesting Date              | 2023/12/5–2027/12/5 |
| Grant date                | 5 December 2022     |
| Option pricing model used | Black-Scholes model |
| Stock Price               | RMB30.43            |
| Exercise price            | RMB30.35            |
| Volatility                | 41.3360%            |
| Risk-free interest rate   | 1.9725%–2.5620%     |
| Time to maturity          | 6.0 years           |
| Dividend yield            | 0.2235%             |

Volatility is derived from the Company's historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

#### (e) 2025 Share option incentives plan

The Company adopted a Share Option Incentive Scheme in 2025 (the “**2025 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the 2025 Share Option Incentive Scheme, the Company granted 177,215,000 share options to 3,126 incentive recipients with a grant date of 23 May 2025, and an exercise price of RMB25.35 per share.

According to the Company's performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2025 Share Option Incentive Scheme each year and the details are shown as below.

| Financial Year | Reason for adjustment                                 | Exercise Price<br>(RMB) | No. of Options |
|----------------|-------------------------------------------------------|-------------------------|----------------|
| 2025 . . . . . | Pursuant to the profit distribution completed in 2024 | 25.35                   | No adjustment  |

A summary of activities of the service-based share option is presented as follows:

|                                              | Number of share option | Weighted average exercise price | Weighted average remaining contractual term (Months) |
|----------------------------------------------|------------------------|---------------------------------|------------------------------------------------------|
| As at 1 January 2025 . . . . .               | —                      | —                               | 65.60                                                |
| Granted . . . . .                            | 177,215,000            | 25.35                           | —                                                    |
| <b>As at 31 December 2025 . . . . .</b>      | <b>177,215,000</b>     | <b>25.35</b>                    | <b>56.53</b>                                         |
| Exercisable at the end of the year . . . . . | —                      | —                               | —                                                    |

The estimated fair values of share options granted to employees and directors were RMB1,664,131,200.

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

|                           |                     |
|---------------------------|---------------------|
| Vesting Date              | 2026/5/23–2030/5/23 |
| Grant date                | 5/23/2025           |
| Option pricing model used | Black-Scholes model |
| Stock Price               | RMB31.20            |
| Exercise price            | RMB25.35            |
| Volatility                | 17.7117%–21.8533%   |
| Risk-free interest rate   | 1.4495%–1.5649%     |
| Time to maturity          | 6.0 years           |
| Dividend yield            | 0.3911%–0.7303%     |

Volatility is derived from historical share price data of Hushen 300. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the latest five years preceding the announcement date of this incentive Scheme.

The Company recognises share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognised in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

#### 46 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related party during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

**(a) Name and relationship of related parties**

| Name of related parties                                                     | Relationship with the Group  |
|-----------------------------------------------------------------------------|------------------------------|
| 立訊有限公司                                                                      | The ultimate holding company |
| 日益茂工業股份有限公司                                                                 | The joint venture            |
| 岱煒科技股份有限公司                                                                  | Associate                    |
| 立濠光電科技(南通)有限公司                                                              | Associate                    |
| Merry & Luxshare (Vietnam) Co., Ltd                                         | Associate                    |
| 珠海景旺柔性電路有限公司                                                                | Associate                    |
| 立昇汽車科技(廣州)有限公司                                                              | Associate                    |
| 廊坊萊尼線束系統有限公司                                                                | Associate                    |
| 立勝汽車科技(深圳)有限公司                                                              | The fellow subsidiary        |
| 立勝汽車科技(蘇州)有限公司                                                              | The fellow subsidiary        |
| 立臻科技(昆山)有限公司                                                                | The fellow subsidiary        |
| 立臻精密智造(昆山)有限公司                                                              | The fellow subsidiary        |
| 立臻投資(江蘇)有限公司                                                                | The fellow subsidiary        |
| 立臻智能裝備(昆山)有限公司                                                              | The fellow subsidiary        |
| Luxsan Technology Limited                                                   | The fellow subsidiary        |
| BCS Automotive Interface Solutions GmbH (Germany)                           | The fellow subsidiary        |
| BCS Automotive Interface Solutions US, LLC (USA)                            | The fellow subsidiary        |
| BCS Automotive Interface Solutions Romania s.r.l. (Romania)                 | The fellow subsidiary        |
| BCS Automotive Interface Solutions s.r.o. (Czech)                           | The fellow subsidiary        |
| BCS AIS Ensembles Mexico S. de R.L.de C.V. (Mexico)                         | The fellow subsidiary        |
| BCS Ais Japan Co., Ltd                                                      | The fellow subsidiary        |
| BCS Automotive Interface Solutions Queretaro S. de R.L. de C.V.             | The fellow subsidiary        |
| BCS AIS Queretaro Dos S. de R.L. de C.V.                                    | The fellow subsidiary        |
| BCS Automotive Interface Solutions, s.r.o.                                  | The fellow subsidiary        |
| 立臻精密工業(昆山)有限公司 (formerly known as 世碩電子(昆山)有限公司)                             | The fellow subsidiary        |
| 立臻智造電子(上海)有限公司 (formerly known as 弦碩科技(上海)有限公司)                             | The fellow subsidiary        |
| Luxvisions Innovation Technology Co., Ltd. (formerly known as 廣州立景創新科技有限公司) | The related party            |
| 立景創新科技(吉安)有限公司                                                              | The related party            |
| 立景創新科技有限公司                                                                  | The related party            |
| Luxvisions Innovation Technology Limited                                    | The related party            |
| 信光能源科技(安徽)有限公司                                                              | The related party            |
| 泰睿智造(東莞)科技有限公司 (formerly known as 東莞泰睿皮具有限公司)                               | The related party            |
| 泰睿香港國際股份有限公司                                                                | The related party            |
| 泰睿智造(桂林)科技有限公司 (formerly known as 巴斯波(桂林)皮件有限公司)                            | The related party            |
| 東莞杜博皮件有限公司                                                                  | The related party            |
| 東莞高偉光學電子有限公司                                                                | The related party            |
| 東莞立騰創新電子有限公司                                                                | The related party            |
| 上饒市立景創新科技有限公司                                                               | The related party            |
| Xinhao Photoelectric Technology (HK) Limited                                | The related party            |
| 立臻智能裝備(昆山)有限公司                                                              | The related party            |
| Cowell Optic Electronics Ltd.                                               | The related party            |
| 奇瑞汽車股份有限公司                                                                  | The related party            |
| 奇瑞汽車河南有限公司                                                                  | The related party            |
| 奇瑞商用車(安徽)有限公司                                                               | The related party            |

| Name of related parties            | Relationship with the Group                           |
|------------------------------------|-------------------------------------------------------|
| 奇瑞新能源汽車股份有限公司                      | The related party                                     |
| 安徽拙盾安全技術有限公司                       | The related party                                     |
| 達奧(蕪湖)汽車製品有限公司                     | The related party                                     |
| 東南(福建)汽車工業股份有限公司                   | The related party                                     |
| 瑞鯨(安徽)供應鏈科技有限公司                    | The related party                                     |
| 蕪湖埃科泰克動力總成有限公司                     | The related party                                     |
| 蕪湖奇達動力電池系統有限公司                     | The related party                                     |
| 蕪湖奇瑞汽車零部件採購有限公司                    | The related party                                     |
| 深圳市信濠光電科技股份有限公司                    | The related party                                     |
| 達濠科技(東莞)有限公司                       | The related party                                     |
| 信濠光電(恩施)有限公司                       | The related party                                     |
| 泰睿精密股份有限公司                         | The related party                                     |
| Luxsan (Hong Kong) Trading Limited | The related party                                     |
| 廣州立智感知科技有限公司                       | The related party                                     |
| 立高光學(東莞)有限公司                       | The related party                                     |
| 廣東立德膠業精密組件有限公司                     | The related party                                     |
| 大卓智能科技有限公司                         | The related party                                     |
| 信濠光電(滁州)有限公司                       | The related party                                     |
| 訊濠光電(滁州)有限公司                       | The related party                                     |
| 安徽立德汽車部件有限公司                       | The related party                                     |
| 東莞泰睿皮具有限公司                         | The related party                                     |
| 立德香港國際股份有限公司                       | The related party                                     |
| 訊牧信息科技(上海)有限公司                     | Entity controlled by ultimate controlling shareholder |
| 立汕智造科技(廣東)有限公司                     | Entity controlled by ultimate controlling shareholder |

**(b) Transactions with related parties****(i) Purchase from the related parties**

| Company name                                             | As at 31 December |           |           |
|----------------------------------------------------------|-------------------|-----------|-----------|
|                                                          | 2023              | 2024      | 2025      |
|                                                          | RMB'000           | RMB'000   | RMB'000   |
| 日益茂工業股份有限公司 . . . . .                                    | 8,667             | 11,677    | 5,157     |
| 智賦科技股份有限公司 (formerly known as 岱煒科技股<br>份有限公司) . . . . .  | 26,463            | 38,232    | 52,866    |
| 立勝汽車科技(蘇州)有限公司 . . . . .                                 | 18,701            | 5,135     | 10,695    |
| 立景創新科技股份有限公司<br>(formerly known as 廣州立景創新科技有限公司) . . . . | 3,739             | 12,710    | 61,553    |
| 立臻科技(昆山)有限公司 . . . . .                                   | —                 | —         | 36        |
| 立臻精密智造(昆山)有限公司 . . . . .                                 | 9,658             | —         | —         |
| Luxsan Technology Limited . . . . .                      | 1,189,127         | 1,243,805 | 1,071,808 |
| Merry & Luxshare (Vietnam) Co., Ltd. . . . .             | 71,739            | 273,250   | 812,832   |
| BCS Automotive Interface Solutions . . . . .             | —                 | —         | —         |
| 立濠光電科技(南通)有限公司 . . . . .                                 | 4,320             | 2,092     | 227       |
| 泰睿智造(東莞)科技有限公司 . . . . .                                 | 41,984            | 117,097   | 14,118    |
| 訊牧信息科技(上海)有限公司 . . . . .                                 | —                 | 196       | —         |
| 東莞高偉光學電子有限公司 . . . . .                                   | 11,517            | 8,756     | 12,104    |
| 泰睿香港國際股份有限公司 . . . . .                                   | 2,709             | 9,754     | 358,643   |
| 立汕智造科技(廣東)有限公司 . . . . .                                 | 2,389             | 4,059     | 1,772     |
| 立勝汽車科技(深圳)有限公司 . . . . .                                 | 222               | —         | —         |
| 立景創新科技(吉安)有限公司 . . . . .                                 | 34                | 1,174     | —         |
| Luxvisions Innovation Technology Limited . . . . .       | 1,372             | 162       | 626       |
| 立臻投資(江蘇)有限公司 . . . . .                                   | 39,529            | 45,844    | 20,973    |
| BCS Automotive Interface Solutions GmbH (Germany) . .    | 36,596            | 3,511     | 1,111     |

# APPENDIX I

# ACCOUNTANTS' REPORT

| Company name                                                            | As at 31 December |         |         |
|-------------------------------------------------------------------------|-------------------|---------|---------|
|                                                                         | 2023              | 2024    | 2025    |
|                                                                         | RMB'000           | RMB'000 | RMB'000 |
| BCS Automotive Interface Solutions US, LLC (USA) . . .                  | 93                | 4,812   | 4,406   |
| BCS Automotive Interface Solutions Romania s.r.l.<br>(Romania). . . . . | 5,410             | 28,954  | 37,713  |
| 信光能源科技(安徽)有限公司 . . . . .                                                | 900               | 535     | 432     |
| 立昇汽車科技(廣州)有限公司 . . . . .                                                | —                 | 379     | 1,213   |
| 立臻智能裝備(昆山)有限公司 . . . . .                                                | —                 | 2,747   | 2,634   |
| 立臻精密工業(昆山)有限公司<br>(formerly known as世碩電子(昆山)有限公司) . . . . .             | —                 | 36,755  | 75,582  |
| 深圳市信濠光電科技股份有限公司 . . . . .                                               | —                 | 57      | —       |
| 東莞杜博皮件有限公司 . . . . .                                                    | —                 | 25,798  | 515,781 |
| 泰睿智造(桂林)科技有限公司<br>(formerly known as巴斯波(桂林)皮件有限公司). . . . .             | —                 | 769     | 667     |
| 奇瑞汽車股份有限公司 . . . . .                                                    | —                 | 127     | 76      |
| 奇瑞新能源汽車股份有限公司 . . . . .                                                 | —                 | 19      | 43      |
| 奇瑞商用車(安徽)有限公司 . . . . .                                                 | —                 | 60      | —       |
| 蕪湖奇瑞汽車零部件採購有限公司 . . . . .                                               | —                 | 209     | 52      |
| 瑞鯨(安徽)供應鏈科技有限公司 . . . . .                                               | —                 | 61      | 2,143   |
| 東南(福建)汽車工業股份有限公司 . . . . .                                              | —                 | 240     | 5,149   |
| 廣東立德膠業精密組件有限公司 . . . . .                                                | —                 | —       | 36,955  |
| 訊濠光電(滁州)有限公司 . . . . .                                                  | —                 | —       | 2,101   |
| 上饒市立景創新科技有限公司 . . . . .                                                 | —                 | —       | 65      |
| Luxsan (Hong Kong) Trading Limited. . . . .                             | —                 | —       | 14      |
| 信濠光電(滁州)有限公司 . . . . .                                                  | —                 | —       | 12      |
| 安徽立德汽車部件有限公司 . . . . .                                                  | —                 | —       | 55,232  |
| LUXVISIONS INNOVATION TECHNOLOGY (NGHE<br>AN) LIMITED . . . . .         | —                 | —       | 742     |
| COWELL OPTIC ELECTRONICS LTD. . . . .                                   | —                 | —       | 27      |
| 達濠科技(東莞)有限公司 . . . . .                                                  | —                 | —       | 14      |

## (ii) Sell to the related parties

| Company name                                              | As at 31 December |           |           |
|-----------------------------------------------------------|-------------------|-----------|-----------|
|                                                           | 2023              | 2024      | 2025      |
|                                                           | RMB'000           | RMB'000   | RMB'000   |
| 智賦科技股份有限公司<br>(formerly known as岱燁科技股份有限公司) . . . . .     | 2,547             | 2,546     | 2,445     |
| 上饒市立景創新科技有限公司 . . . . .                                   | 123               | 2,073     | 537       |
| 立景創新科技股份有限公司<br>(formerly known as廣州立景創新科技有限公司) . . . . . | 133,336           | 199,439   | 185,970   |
| 立勝汽車科技(蘇州)有限公司 . . . . .                                  | 396,984           | 380,631   | 324,680   |
| 立臻科技(昆山)有限公司 . . . . .                                    | 78,602            | 49,176    | —         |
| 立臻精密智造(昆山)有限公司 . . . . .                                  | 36,934            | 117       | —         |
| Luxsan Technology Limited. . . . .                        | 840,945           | 1,155,538 | 6,686,392 |
| 訊牧信息科技(上海)有限公司 . . . . .                                  | 3                 | —         | —         |
| Merry & Luxshare (Vietnam) Co., Ltd. . . . .              | 52,940            | 159,513   | 161,346   |
| 立濠光電科技(南通)有限公司 . . . . .                                  | 19,675            | 3,546     | —         |
| Xinhao Photoelectric Technology (HK) Limited . . . . .    | 259               | 401       | 390       |
| 東莞高偉光學電子有限公司 . . . . .                                    | 8,209             | 127,229   | 28,438    |
| Cowell Optic Electronics Ltd. . . . .                     | 47,484            | 1,592,583 | 1,970,030 |
| 奇瑞汽車股份有限公司 . . . . .                                      | 103,354           | 95,981    | 3,967     |
| 奇瑞汽車河南有限公司 . . . . .                                      | (479)             | 903       | (904)     |
| 奇瑞商用車(安徽)有限公司 . . . . .                                   | 18,197            | 13,465    | (840)     |
| 泰睿精密股份有限公司 . . . . .                                      | 12                | —         | —         |

# APPENDIX I

# ACCOUNTANTS' REPORT

| Company name                                                            | As at 31 December |           |           |
|-------------------------------------------------------------------------|-------------------|-----------|-----------|
|                                                                         | 2023              | 2024      | 2025      |
|                                                                         | RMB'000           | RMB'000   | RMB'000   |
| 泰睿智造(東莞)科技有限公司 . . . . .                                                | 2,120             | 11,895    | 4,093     |
| BCS Automotive Interface Solutions GmbH (Germany). . .                  | 6,728             | 377       | 380       |
| BCS Automotive Interface Solutions Romania s.r.l.<br>(Romania). . . . . | 27,530            | 2,849     | 2,577     |
| BCS Automotive Interface Solutions US, LLC (USA). . .                   | 24,227            | 36,812    | 57,095    |
| BCS Automotive Interface Solutions s.r.o. (Czech) . . . .               | 94                | 945       | 824       |
| 立臻智能裝備(昆山)有限公司 . . . . .                                                | 230,418           | 193,624   | 86,299    |
| 立臻投資(江蘇)有限公司 . . . . .                                                  | 5,047             | 1,997     | 1,628     |
| 信光能源科技(安徽)有限公司 . . . . .                                                | 12,999            | 6,626     | 3,186     |
| 立昇汽車科技(廣州)有限公司 . . . . .                                                | 1,338             | 64,296    | 161,282   |
| LUXVISIONS INNOVATION TECHNOLOGY<br>LIMITED . . . . .                   | 496               | 329       | 1,117     |
| BCS AIS JAPAN CO., LTD. . . . .                                         | —                 | 92        | 88        |
| 立臻精密工業(昆山)有限公司<br>(formerly known as世碩電子(昆山)有限公司) . . . . .             | —                 | 3,994     | 1,322     |
| 立臻智造電子(上海)有限公司<br>(formerly known as弦碩科技(上海)有限公司) . . . . .             | —                 | 56        | —         |
| 達濠科技(東莞)有限公司 . . . . .                                                  | —                 | 574       | 149       |
| 信濠光電(恩施)有限公司 . . . . .                                                  | —                 | 96        | 31,901    |
| 深圳市信濠光電科技股份有限公司 . . . . .                                               | 196               | 196       | 196       |
| 奇瑞新能源汽車股份有限公司 . . . . .                                                 | —                 | 187,870   | 157,432   |
| 蕪湖奇瑞汽車零部件採購有限公司 . . . . .                                               | —                 | 365,523   | —         |
| 安徽拙盾安全技術有限公司 . . . . .                                                  | —                 | 7,885     | 37,294    |
| 達奧(蕪湖)汽車製品有限公司 . . . . .                                                | —                 | 115       | —         |
| 東南(福建)汽車工業股份有限公司 . . . . .                                              | —                 | 174,119   | 26,923    |
| 蕪湖奇達動力電池系統有限公司 . . . . .                                                | —                 | 105       | 135       |
| 瑞鯨(安徽)供應鏈科技有限公司 . . . . .                                               | —                 | 1,096,867 | 2,058,306 |
| 蕪湖埃科泰克動力總成有限公司 . . . . .                                                | —                 | 4,228     | 2,480     |
| 泰睿香港國際股份有限公司 . . . . .                                                  | —                 | 995       | 2,842     |
| 泰睿智造(桂林)科技有限公司<br>(formerly known as巴斯波(桂林)皮件有限公司) . . . . .            | —                 | 303       | 13,445    |
| 東莞杜博皮件有限公司 . . . . .                                                    | —                 | 3,785     | 9,892     |
| 東莞立騰創新電子有限公司 . . . . .                                                  | —                 | 694       | 40        |
| 廣州立智感知科技有限公司 . . . . .                                                  | —                 | —         | 18        |
| 立高光學(東莞)有限公司 . . . . .                                                  | —                 | —         | 771       |
| Luxsan (Hong Kong) Trading Limited. . . . .                             | —                 | —         | 353,600   |
| 信濠光電(滁州)有限公司 . . . . .                                                  | —                 | —         | 5,329     |
| 訊濠光電(滁州)有限公司 . . . . .                                                  | —                 | —         | 5,462     |
| 大卓智能科技有限公司 . . . . .                                                    | —                 | —         | 3,049     |
| 廣東立德膠業精密組件有限公司 . . . . .                                                | —                 | —         | 11,129    |
| 安徽立德汽車部件有限公司 . . . . .                                                  | —                 | —         | 37,125    |
| 廊坊萊尼線束系統有限公司 . . . . .                                                  | —                 | —         | 76,590    |
| 立德香港國際股份有限公司 . . . . .                                                  | —                 | —         | 402       |
| LUXVISIONS INNOVATION TECHNOLOGY (NGHE<br>AN) LIMITED . . . . .         | —                 | —         | 127       |
| BCS AIS Queretaro Dos S. de R.L. de C.V. . . . .                        | —                 | —         | 5,313     |

## The Group as lessor

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# APPENDIX I

# ACCOUNTANTS' REPORT

## The Group as lessee

| Company name (as lessor)                                                   | Type of leases | As at 31 December |         |         |
|----------------------------------------------------------------------------|----------------|-------------------|---------|---------|
|                                                                            |                | 2023              | 2024    | 2025    |
|                                                                            |                | RMB'000           | RMB'000 | RMB'000 |
| 信光能源科技(安徽)有限公司 . . . . .                                                   | Buildings      | —                 | 3,944   | —       |
| 泰睿智造(東莞)科技有限公司 . . . . .                                                   | Buildings      | —                 | 25      | —       |
| 立濠光電科技(南通)有限公司 . . . . .                                                   | Buildings      | —                 | 2,810   | —       |
| BCS Automotive Interface Solutions<br>Queretaro S. de R.L. de C.V. . . . . | Buildings      | —                 | —       | 1,273   |
| BCS-AIS Ensembles Mexico S. de<br>R.L.de C.V. . . . .                      | Buildings      | —                 | —       | 6,731   |
| BCS AIS Queretaro Dos S. de R.L. de<br>C.V. . . . .                        |                | —                 | —       | 3,663   |

## (iv) Guarantee

The Company as the guaranteed party for bank borrowings:

| Guarantor                    | Guaranteed Amount | Guarantee Commencement Date | Guarantee Expiry Date | Whether the Guarantee Has Been Fulfilled |
|------------------------------|-------------------|-----------------------------|-----------------------|------------------------------------------|
|                              | RMB'000           |                             |                       |                                          |
| Luxshare Hong Kong . . . . . | 5,100,560         | 2020/7/20                   | 2023/9/26             | Yes                                      |

## (v) Amounts due from related parties

| Trade receivables<br>Company name                                        | As at 31 December |           |           |
|--------------------------------------------------------------------------|-------------------|-----------|-----------|
|                                                                          | 2023              | 2024      | 2025      |
|                                                                          | RMB'000           | RMB'000   | RMB'000   |
| 立景創新科技股份有限公司<br>(formerly known as 廣州立景創新科技有限公司) . . . .                 | 137,683           | 68,646    | 92,734    |
| 立勝汽車科技(蘇州)有限公司 . . . . .                                                 | 302,574           | 307,139   | 180,489   |
| BCS Automotive Interface Solutions . . . . .                             | —                 | —         | —         |
| 智賦科技股份有限公司<br>(formerly known as 岱煒科技股份有限公司) . . . . .                   | 1,412             | 1,063     | 897       |
| 立臻科技(昆山)有限公司 . . . . .                                                   | —                 | —         | —         |
| 立臻精密智造(昆山)有限公司 . . . . .                                                 | —                 | —         | —         |
| 訊牧信息科技(上海)有限公司 . . . . .                                                 | —                 | —         | —         |
| Merry & Luxshare (Vietnam) Co., Ltd. . . . .                             | 20,590            | 53,834    | 69,220    |
| Luxsan Technology Limited. . . . .                                       | 250,986           | 303,552   | 5,236,572 |
| Cowell Optic Electronics Ltd. . . . .                                    | 92                | 1,135,631 | 941,018   |
| 立勝汽車科技(深圳)有限公司 . . . . .                                                 | —                 | —         | —         |
| 奇瑞汽車股份有限公司 . . . . .                                                     | 50,708            | 1,675     | 3,914     |
| 奇瑞汽車河南有限公司 . . . . .                                                     | —                 | 1,021     | —         |
| 奇瑞商用車(安徽)有限公司 . . . . .                                                  | 19,453            | 2,690     | —         |
| 泰睿智造(東莞)科技有限公司 . . . . .                                                 | 2,371             | 6,657     | 437       |
| BCS Automotive Interface Solutions GmbH (Germany) . .                    | 1,324             | —         | —         |
| BCS Automotive Interface Solutions Romania s.r.l.<br>(Romania) . . . . . | 14,601            | 5,879     | 398       |
| BCS Automotive Interface Solutions US, LLC (USA) . .                     | 20,233            | 19,288    | 29,852    |
| BCS Automotive Interface Solutions s.r.o. (Czech) . . .                  | 84                | 637       | 486       |

# APPENDIX I

# ACCOUNTANTS' REPORT

## Trade receivables

| Company name                                                    | As at 31 December |         |         |
|-----------------------------------------------------------------|-------------------|---------|---------|
|                                                                 | 2023              | 2024    | 2025    |
|                                                                 | RMB'000           | RMB'000 | RMB'000 |
| Xinhao Photoelectric Technology (HK) Limited . . . . .          | 43                | 151     | 22      |
| 東莞高偉光學電子有限公司 . . . . .                                          | 8,993             | 48,941  | 23,231  |
| 立昇汽車科技(廣州)有限公司 . . . . .                                        | 1,511             | 25,226  | 129,830 |
| 立濠光電科技(南通)有限公司 . . . . .                                        | 1,272             | 561     | —       |
| 立臻投資(江蘇)有限公司 . . . . .                                          | 2,963             | 711     | 1,428   |
| 立臻智能裝備(昆山)有限公司 . . . . .                                        | 184,418           | 127,753 | 30,487  |
| 上饒市立景創新科技有限公司 . . . . .                                         | 118               | 1,697   | 378     |
| 深圳市信濠光電科技股份有限公司 . . . . .                                       | 207               | 207     | —       |
| 信光能源科技(安徽)有限公司 . . . . .                                        | 15,854            | 707     | —       |
| 安徽拙盾安全技術有限公司 . . . . .                                          | —                 | 3,948   | 23,283  |
| 泰睿智造(桂林)科技有限公司<br>(formerly known as 巴斯波(桂林)皮件有限公司). . . . .    | —                 | 13      | 1,457   |
| 達奧(蕪湖)汽車製品有限公司 . . . . .                                        | —                 | 72      | —       |
| 東莞杜博皮件有限公司 . . . . .                                            | —                 | 7       | 4,041   |
| 東莞立騰創新電子有限公司 . . . . .                                          | —                 | 215     | —       |
| 東南(福建)汽車工業股份有限公司 . . . . .                                      | —                 | 3       | —       |
| 奇瑞新能源汽車股份有限公司 . . . . .                                         | —                 | 98,092  | 137,313 |
| 瑞鯨(安徽)供應鏈科技有限公司 . . . . .                                       | —                 | 964,114 | 946,407 |
| 立臻精密工業(昆山)有限公司<br>(formerly known as 世碩電子(昆山)有限公司) . . . . .    | —                 | 141     | 1,401   |
| 泰睿香港國際股份有限公司 . . . . .                                          | —                 | 600     | —       |
| 蕪湖埃科泰克動力總成有限公司 . . . . .                                        | —                 | 4,777   | 3,155   |
| 蕪湖奇達動力電池系統有限公司 . . . . .                                        | —                 | 88      | —       |
| 蕪湖奇瑞汽車零部件採購有限公司 . . . . .                                       | —                 | 191     | 51      |
| 立臻智造電子(上海)有限公司<br>(formerly known as 弦碩科技(上海)有限公司) . . . . .    | —                 | 64      | —       |
| 廣東立德膠業精密組件有限公司 . . . . .                                        | —                 | —       | 2,603   |
| BCS AIS Queretaro Dos S. de R.L. de C.V. . . . .                | —                 | —       | 1,037   |
| LUXVISIONS INNOVATION TECHNOLOGY<br>LIMITED . . . . .           | —                 | —       | 1,097   |
| 廣州立智感知科技有限公司 . . . . .                                          | —                 | —       | —       |
| 立高光學(東莞)有限公司 . . . . .                                          | —                 | —       | 284     |
| Luxsan (Hong Kong) Trading Limited . . . . .                    | —                 | —       | 100,630 |
| 大卓智能科技有限公司 . . . . .                                            | —                 | —       | 59      |
| 訊濠光電(滁州)有限公司 . . . . .                                          | —                 | —       | 718     |
| 安徽立德汽車部件有限公司 . . . . .                                          | —                 | —       | 10,222  |
| LUXVISIONS INNOVATION TECHNOLOGY (NGHE<br>AN) LIMITED . . . . . | —                 | —       | 127     |
| 達濠科技(東莞)有限公司 . . . . .                                          | —                 | —       | 169     |
| 廊坊萊尼線束系統有限公司 . . . . .                                          | —                 | —       | 45,280  |
| 信濠光電(恩施)有限公司 . . . . .                                          | —                 | —       | 27,698  |

## Other receivables

| Company name                                               | As at 31 December |         |         |
|------------------------------------------------------------|-------------------|---------|---------|
|                                                            | 2023              | 2024    | 2025    |
|                                                            | RMB'000           | RMB'000 | RMB'000 |
| 立勝汽車科技(蘇州)有限公司 . . . . .                                   | 184               | 861     | —       |
| 宣德能源股份有限公司 . . . . .                                       | —                 | —       | —       |
| 立臻科技(昆山)有限公司 . . . . .                                     | —                 | —       | —       |
| 立濠光電科技(南通)有限公司 . . . . .                                   | —                 | —       | —       |
| Merry & Luxshare (Vietnam) Co., Ltd. . . . .               | 54                | 696     | —       |
| Xinhao Photoelectric Technology (HK) Limited . . . . .     | 127               | —       | —       |
| BCS Automotive Interface Solutions GmbH (Germany). . . . . | 4,151             | —       | —       |
| BCS Automotive Interface Solutions US, LLC (USA). . . . .  | 1,836             | —       | —       |
| Cowell Optic Electronics Ltd. . . . .                      | 567               | 1,120   | —       |

# APPENDIX I

# ACCOUNTANTS' REPORT

## Other receivables

| Company name                                                 | As at 31 December |         |         |
|--------------------------------------------------------------|-------------------|---------|---------|
|                                                              | 2023              | 2024    | 2025    |
|                                                              | RMB'000           | RMB'000 | RMB'000 |
| 東莞高偉光學電子有限公司 . . . . .                                       | 10                | —       | —       |
| 立景創新科技股份有限公司<br>(formerly known as 廣州立景創新科技有限公司) . . . .     | 6,621             | —       | —       |
| 泰睿香港國際股份有限公司 . . . . .                                       | 374               | —       | —       |
| BCS Ais Japan Co., Ltd . . . . .                             | —                 | 8       | 8       |
| 立臻精密工業(昆山)有限公司<br>(formerly known as 世碩電子(昆山)有限公司) . . . . . | —                 | 770     | 770     |
| 智賦科技股份有限公司<br>(formerly known as 岱煒科技股份有限公司) . . . . .       | —                 | —       | 13      |

## Prepayments

| Company name                                                            | As at 31 December |         |         |
|-------------------------------------------------------------------------|-------------------|---------|---------|
|                                                                         | 2023              | 2024    | 2025    |
|                                                                         | RMB'000           | RMB'000 | RMB'000 |
| BCS Automotive Interface Solutions GmbH (Germany) . .                   | 17                | 1,311   | —       |
| BCS Automotive Interface Solutions Romania s.r.l.<br>(Romania). . . . . | 8,626             | 7,912   | 1,605   |
| BCS Automotive Interface Solutions US, LLC (USA). . .                   | 1,468             | 1,490   | —       |
| Merry & Luxshare (Vietnam) Co., Ltd. . . . .                            | —                 | —       | 2,563   |

## Note receivables

| Company name               | As at 31 December |         |         |
|----------------------------|-------------------|---------|---------|
|                            | 2023              | 2024    | 2025    |
|                            | RMB'000           | RMB'000 | RMB'000 |
| 立勝汽車科技(蘇州)有限公司 . . . . .   | —                 | 9,222   | 65,623  |
| 安徽拙盾安全技術有限公司 . . . . .     | —                 | 1,672   | —       |
| 東南(福建)汽車工業股份有限公司 . . . . . | —                 | 2,000   | —       |
| 奇瑞商用手(安徽)有限公司 . . . . .    | —                 | 1,200   | 1,100   |
| 奇瑞新能源汽車股份有限公司 . . . . .    | —                 | 33,244  | 2,717   |
| 瑞鯨(安徽)供應鏈科技有限公司 . . . . .  | —                 | 67,867  | 76,600  |
| 蕪湖奇瑞汽車零部件採購有限公司 . . . . .  | —                 | 400     | —       |
| 大卓智能科技有限公司 . . . . .       | —                 | —       | 978     |
| 奇瑞汽車股份有限公司 . . . . .       | —                 | —       | 300     |

The amounts due from related parties are trade in nature, unsecured, interest free and repayable on demand.

## (vi) Amounts due to related parties

## Contract liabilities

| Company name                                          | As at 31 December |         |         |
|-------------------------------------------------------|-------------------|---------|---------|
|                                                       | 2023              | 2024    | 2025    |
|                                                       | RMB'000           | RMB'000 | RMB'000 |
| BCS Automotive Interface Solutions. . . . .           | —                 | —       | —       |
| BCS Automotive Interface Solutions US, LLC (USA). . . | 15                | 1,347   | —       |
| Luxsan Technology Limited. . . . .                    | —                 | 7,417   | —       |
| 奇瑞新能源汽車股份有限公司 . . . . .                               | —                 | 1,531   | —       |
| 信濠光電(恩施)有限公司 . . . . .                                | —                 | 7,312   | —       |
| BCS Automotive Interface Solutions GmbH (Germany) . . | —                 | —       | —       |
| 安徽拙盾安全技術有限公司 . . . . .                                | —                 | —       | 8,979   |
| 立臻科技(昆山)有限公司 . . . . .                                | —                 | —       | 36      |
| Luxsan (Hong Kong)Trading Limited . . . . .           | —                 | —       | 16,394  |
| 廊坊萊尼線束系統有限公司 . . . . .                                | —                 | —       | 90      |

# APPENDIX I

# ACCOUNTANTS' REPORT

| Trade payables                                             | As at 31 December |         |         |
|------------------------------------------------------------|-------------------|---------|---------|
|                                                            | 2023              | 2024    | 2025    |
|                                                            | RMB'000           | RMB'000 | RMB'000 |
| 智賦科技股份有限公司                                                 |                   |         |         |
| (formerly known as 岱燁科技股份有限公司) . . . . .                   | 11,442            | 18,739  | 15,717  |
| 立景創新科技股份有限公司                                               |                   |         |         |
| (formerly known as 廣州立景創新科技有限公司) . . . . .                 | 1,217             | 969     | —       |
| 立景創新科技有限公司 . . . . .                                       | —                 | —       | 26,531  |
| 立勝汽車科技(蘇州)有限公司 . . . . .                                   | 9,830             | 1,615   | 5,537   |
| 日益茂工業股份有限公司 . . . . .                                      | 5,532             | 5,324   | 2,349   |
| 東莞高偉光學電子有限公司 . . . . .                                     | —                 | —       | 1,953   |
| Merry & Luxshare (Vietnam) Co., Ltd. . . . .               | 43,590            | 106,486 | 459,209 |
| Luxsan Technology Limited . . . . .                        | 338,536           | 971,975 | 652,894 |
| 立濠光電科技(南通)有限公司 . . . . .                                   | 3,012             | 476     | —       |
| 立景創新科技(吉安)有限公司 . . . . .                                   | 4                 | 1,279   | 183     |
| 立汕智造科技(廣東)有限公司 . . . . .                                   | 893               | 1,316   | 1,651   |
| 泰睿香港國際股份有限公司 . . . . .                                     | 2,521             | 8,265   | 127,152 |
| 泰睿智造(東莞)科技有限公司 . . . . .                                   | 14,283            | 29,022  | 4,731   |
| 訊牧信息科技(上海)有限公司 . . . . .                                   | —                 | 60      | —       |
| BCS Automotive Interface Solutions Romania s.r.l.          |                   |         |         |
| (Romania). . . . .                                         | 3                 | 6,592   | 54      |
| BCS Automotive Interface Solutions US, LLC (USA). . . . .  | 10,065            | 2,867   | 1,102   |
| BCS Automotive Interface Solutions GmbH (Germany). . . . . | —                 | 376     | —       |
| Luxvisions Innovation Technology Limited . . . . .         | 585               | —       | 329     |
| 信光能源科技(安徽)有限公司 . . . . .                                   | 714               | 36      | —       |
| 立臻投資(江蘇)有限公司 . . . . .                                     | 38,170            | 15,275  | 22,554  |
| 泰睿智造(桂林)科技有限公司                                             |                   |         |         |
| (formerly known as 巴斯波(桂林)皮件有限公司). . . . .                 | —                 | 116     | 528     |
| 東莞杜博皮件有限公司 . . . . .                                       | —                 | 28,426  | 164,675 |
| 東南(福建)汽車工業股份有限公司 . . . . .                                 | —                 | 375     | —       |
| 高偉光學電子有限公司 . . . . .                                       | —                 | 14      | —       |
| 立昇汽車科技(廣州)有限公司 . . . . .                                   | —                 | 336     | 205     |
| 立臻智能裝備(昆山)有限公司 . . . . .                                   | —                 | 3,104   | 1,548   |
| 奇瑞汽車股份有限公司 . . . . .                                       | —                 | 94      | —       |
| 奇瑞新能源汽車股份有限公司 . . . . .                                    | —                 | 5       | 41      |
| 立臻精密工業(昆山)有限公司                                             |                   |         |         |
| (formerly known as 世碩電子(昆山)有限公司) . . . . .                 | —                 | 14,342  | 19,571  |
| 蕪湖奇瑞汽車零部件採購有限公司 . . . . .                                  | —                 | 1,206   | —       |
| 上饒市立景創新科技有限公司 . . . . .                                    | —                 | —       | 67      |
| 瑞鯨(安徽)供應鏈科技有限公司 . . . . .                                  | —                 | —       | 591     |
| 廣東立德膠業精密組件有限公司 . . . . .                                   | —                 | —       | 12,289  |
| 信濠光電(滁州)有限公司 . . . . .                                     | —                 | —       | 13      |
| 訊濠光電(滁州)有限公司 . . . . .                                     | —                 | —       | 729     |
| 安徽立德汽車部件有限公司 . . . . .                                     | —                 | —       | 15,585  |
| LUXVISIONS INNOVATION TECHNOLOGY (NGHE                     |                   |         |         |
| AN) LIMITED . . . . .                                      | —                 | —       | 734     |
| 達濠科技(東莞)有限公司 . . . . .                                     | —                 | —       | 15      |

# APPENDIX I

# ACCOUNTANTS' REPORT

| Company name                                                     | As at 31 December |         |         |
|------------------------------------------------------------------|-------------------|---------|---------|
|                                                                  | 2023              | 2024    | 2025    |
|                                                                  | RMB'000           | RMB'000 | RMB'000 |
| 立臻投資(江蘇)有限公司 . . . . .                                           | 1,982             | —       | —       |
| 日益茂工業股份有限公司 . . . . .                                            | —                 | —       | —       |
| 泰睿香港國際股份有限公司 . . . . .                                           | 166               | 218     | 68      |
| BCS AIS Ensembles Mexico S. de R.L.de<br>C.V. (Mexico) . . . . . | 563               | —       | —       |
| 岱煒科技股份有限公司 . . . . .                                             | —                 | 19      | 53      |
| BCS Automotive Interface Solutions US,<br>LLC (USA) . . . . .    | —                 | —       | 11      |
| LUXVISIONS INNOVATION<br>TECHNOLOGY LIMITED . . . . .            | —                 | —       | 130     |

The amounts due to related parties are trade in nature, unsecured, interest free and repayable on demand.

## (vii) Key management compensation

Key management personnels are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Compensation of the key management personnels of the Group, including amounts paid to the Company's Directors as disclosed in Note 8, was as follows:

|                                                                                                 | Year ended 31 December |         |         |
|-------------------------------------------------------------------------------------------------|------------------------|---------|---------|
|                                                                                                 | 2023                   | 2024    | 2025    |
|                                                                                                 | RMB'000                | RMB'000 | RMB'000 |
| Salaries, wages, bonuses and benefits in kind<br>(including contributions to pension plans) . . | 12,830                 | 21,978  | 22,866  |
| Share-based compensation . . . . .                                                              | 12,020                 | 10,872  | 13,968  |
|                                                                                                 | 24,850                 | 32,850  | 36,834  |

## 47 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

|                                                        | Lease liabilities    | Borrowings           | Convertible Bond     | Short-term<br>financing bills | MTN                  | Total        |
|--------------------------------------------------------|----------------------|----------------------|----------------------|-------------------------------|----------------------|--------------|
|                                                        | RMB'000<br>(Note 20) | RMB'000<br>(Note 34) | RMB'000<br>(Note 37) | RMB'000<br>(Note 39)          | RMB'000<br>(Note 38) | RMB'000      |
| As at 1 January 2023 . . . . .                         | 980,021              | 24,946,052           | 2,913,755            | 3,840,115                     | —                    | 32,679,943   |
| Cash inflows . . . . .                                 | —                    | 91,681,516           | —                    | 2,800,000                     | —                    | 94,481,516   |
| Payment on capital portion . . . . .                   | (176,483)            | (80,966,892)         | (181,719)            | (5,800,000)                   | —                    | (87,125,094) |
| Interest paid . . . . .                                | (27,150)             | (1,424,783)          | (9,000)              | (80,318)                      | —                    | (1,541,251)  |
| Payment on debt issuance costs . . . . .               | —                    | —                    | (6,203)              | —                             | —                    | (6,203)      |
| Interest expenses . . . . .                            | 27,150               | 1,186,819            | 119,976              | 42,925                        | —                    | 1,376,870    |
| Debt issuance costs . . . . .                          | —                    | —                    | 6,203                | —                             | —                    | 6,203        |
| Other non-cash movements . . . . .                     | (121,841)            | (181,262)            | 6,080                | —                             | —                    | (297,023)    |
| As at 31 December 2023 and<br>1 January 2024 . . . . . | 681,697              | 35,241,450           | 2,849,092            | 802,722                       | —                    | 39,574,961   |
| Cash inflows . . . . .                                 | —                    | 90,538,655           | 457,707              | 6,300,000                     | —                    | 97,296,362   |
| Payment on capital portion . . . . .                   | (239,235)            | (68,733,973)         | (49,930)             | (2,100,000)                   | —                    | (71,123,138) |
| Interest paid . . . . .                                | (36,018)             | (1,444,655)          | (45,000)             | (24,811)                      | —                    | (1,550,484)  |
| Payment on debt issuance costs . . . . .               | —                    | —                    | (8,782)              | —                             | —                    | (8,782)      |
| Interest expenses . . . . .                            | 36,018               | 1,234,031            | 130,703              | 61,901                        | —                    | 1,462,653    |
| Debt issuance costs . . . . .                          | —                    | —                    | 8,782                | —                             | —                    | 8,782        |
| Other non-cash movements . . . . .                     | 439,468              | 199,888              | (37,135)             | —                             | —                    | 602,221      |

|                                                        | Lease liabilities    | Borrowings           | Convertible Bond     | Short-term<br>financing bills | MTN                  | Total         |
|--------------------------------------------------------|----------------------|----------------------|----------------------|-------------------------------|----------------------|---------------|
|                                                        | RMB'000<br>(Note 20) | RMB'000<br>(Note 34) | RMB'000<br>(Note 37) | RMB'000<br>(Note 39)          | RMB'000<br>(Note 38) | RMB'000       |
| As at 31 December 2024 and<br>1 January 2025 . . . . . | 881,930              | 57,035,396           | 3,305,437            | 5,039,812                     | —                    | 66,262,575    |
| Financing cash inflows . . . . .                       | —                    | 122,351,780          | —                    | 7,200,000                     | 3,000,000            | 132,551,780   |
| Payment on capital portion . . . . .                   | (232,941)            | (103,581,261)        | —                    | (6,200,000)                   | —                    | (110,014,202) |
| Payment on interest portion . . . . .                  | (96,847)             | (1,688,677)          | (54,000)             | (84,943)                      | —                    | (1,924,467)   |
| Interest expenses . . . . .                            | 96,847               | 1,403,065            | 135,437              | 69,610                        | 60,152               | 1,765,111     |
| Debt issuance costs . . . . .                          | —                    | —                    | —                    | —                             | (4,500)              | (4,500)       |
| Other non-cash movements . . . . .                     | 2,291,100            | 11,186,004           | (80)                 | —                             | —                    | 13,477,024    |
| As at 31 December 2025 . . . . .                       | 2,940,089            | 86,706,307           | 3,386,794            | 6,024,479                     | 3,055,652            | 102,113,321   |

Other non-cash movements included in borrowing mainly resulted from acquisition of subsidiaries and exchange movement and lease liabilities mainly resulted from the new leases contracts entered during the years ended 31 December 2023, 2024 and 2025.

#### 48 ACQUISITION OF SUBSIDIARIES

During the Track Record Period, the Group continued to actively seek for investment opportunities through acquisitions and has completed several material acquisitions of subsidiaries.

##### (a) Major acquisitions during the year ended 31 December 2024

###### (i) Cosmo Corporation Cayman Limited (“Cosmo”)

On 22 April 2024, the Group acquired 100% of Cosmo for RMB515,062,000. Cosmo is a holding company incorporated in Cayman Islands with several subsidiaries.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

|                                                       | Fair value |
|-------------------------------------------------------|------------|
|                                                       | RMB'000    |
| Property, plant and equipment . . . . .               | 157,059    |
| Intangible assets . . . . .                           | 4,636      |
| Right-of-use assets . . . . .                         | 67,324     |
| Trade and other receivables and prepayments . . . . . | 146,473    |
| Inventories . . . . .                                 | 164,892    |
| Cash and bank balances . . . . .                      | 114,420    |
| Other assets . . . . .                                | 224,807    |
| Borrowings . . . . .                                  | (64,444)   |
| Trade and other payables . . . . .                    | (196,651)  |
| Deferred tax liabilities . . . . .                    | (9,000)    |
| Other liabilities . . . . .                           | (97,402)   |
| Net assets acquired . . . . .                         | 512,114    |
| Cash consideration paid . . . . .                     | 515,062    |
| Less: Fair value of net assets acquired . . . . .     | (512,114)  |
| Goodwill . . . . .                                    | 2,948      |

|                                                          | Fair value     |
|----------------------------------------------------------|----------------|
|                                                          | RMB'000        |
| Net cash outflow arising on acquisition of a subsidiary: |                |
| Cash consideration paid . . . . .                        | 515,062        |
| Less: Cash and bank balances acquired . . . . .          | (114,420)      |
|                                                          | <u>400,642</u> |

The acquisition of Cosmo further completes the Group's consumer electronics value chain layout, elevating comprehensive competitiveness.

Since the acquisition date, Cosmo has contributed approximately RMB1,114,749,000 to the Group's revenue and a profit of approximately RMB45,486,000 to the overall result of the Group for the year ended 31 December 2024. No pro forma information for the acquisition of Cosmo is prepared as the acquisition was completed on 1 January 2024 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on 1 January 2024.

(ii) *Qorvo Hong Kong Holding Pvt. Limited ("QHK")*

On 2 May 2024, the Group acquired 100% of QHK for RMB1,184,927,000. QHK was a holding company incorporated in Hong Kong.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

|                                                          | Fair value       |
|----------------------------------------------------------|------------------|
|                                                          | RMB'000          |
| Property, plant and equipment . . . . .                  | 519,888          |
| Right-of-use assets . . . . .                            | 119,799          |
| Trade and other receivables and prepayments . . . . .    | 1,592            |
| Inventories . . . . .                                    | 345,647          |
| Cash and bank balances . . . . .                         | 179,916          |
| Other assets . . . . .                                   | 469,554          |
| Trade and other payables . . . . .                       | (185,195)        |
| Other liabilities . . . . .                              | (275,138)        |
| Net assets acquired . . . . .                            | <u>1,176,063</u> |
| Cash consideration paid . . . . .                        | 1,184,927        |
| Less: Fair value of net assets acquired . . . . .        | (1,176,063)      |
| Goodwill . . . . .                                       | <u>8,864</u>     |
| Net cash outflow arising on acquisition of a subsidiary: |                  |
| Cash consideration paid . . . . .                        | 1,043,273        |
| Less: Cash and bank balances acquired . . . . .          | (179,916)        |
|                                                          | <u>863,357</u>   |

The acquisition finalizes the Group's strategic deployment in the Radio Frequency ("RF") chip sector, and increases market share in communication RF sector.



Since the acquisition date, QHK has contributed approximately RMB3,630,933,000 to the Group's revenue and a profit of approximately RMB30,878,000 to the overall result of the Group for the year ended 31 December 2024. No pro forma information for the acquisition of QHK is prepared as the acquisition was completed on 1 January 2024 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on 1 January 2024.

*(iii) Qorvo Singapore Holding Pvt. Limited ("QSG")*

On 2 May 2024, the Group acquired 100% of QSG for RMB469,236,000. QSG was a holding company incorporated in Singapore.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

|                                                          | Fair value     |
|----------------------------------------------------------|----------------|
|                                                          | <i>RMB'000</i> |
| Property, plant and equipment . . . . .                  | 377,398        |
| Right-of-use assets . . . . .                            | 40,770         |
| Trade and other receivables and prepayments . . . . .    | 427            |
| Inventories . . . . .                                    | 471,016        |
| Cash and bank balances . . . . .                         | 96,057         |
| Other assets . . . . .                                   | 85,684         |
| Trade and other payables . . . . .                       | (513,439)      |
| Other liabilities . . . . .                              | (94,150)       |
| Net assets acquired . . . . .                            | 463,763        |
| Cash consideration paid . . . . .                        | 469,236        |
| Less: Fair value of net assets acquired . . . . .        | (463,763)      |
| Goodwill . . . . .                                       | 5,473          |
| Net cash outflow arising on acquisition of a subsidiary: |                |
| Cash consideration paid . . . . .                        | 469,236        |
| Less: Cash and bank balances acquired . . . . .          | (96,057)       |
|                                                          | 373,179        |

The acquisition finalizes the Group's strategic deployment in the RF chip sector, and increases market share in communication RF sector.

Since the acquisition date, QSG has contributed approximately RMB3,007,695,000 to the Group's revenue and a profit of approximately RMB48,206,000 to the overall result of the Group for the year ended 31 December 2024. No pro forma information for the acquisition of QSG is prepared as the acquisition was completed in May 2024 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on 1 January 2024.

**(b) Major acquisitions during the year ended 31 December 2025****(i) Acquisition of 嘉興永瑞電子科技有限公司 (“嘉興永瑞”)**

On 26 January 2025, the Group acquired 100% of 嘉興永瑞電子科技有限公司 for RMB569,881,000 from Wingtech. This transaction had been accounted for as acquisition of business using the acquisition method.

Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

|                                                          | Fair value       |
|----------------------------------------------------------|------------------|
|                                                          | RMB'000          |
| Property, plant and equipment . . . . .                  | 211,101          |
| Intangible assets . . . . .                              | 56,266           |
| Trade and other receivables and prepayments . . . . .    | 571,372          |
| Inventory . . . . .                                      | 190,667          |
| Cash and bank balances . . . . .                         | 30,664           |
| Other assets . . . . .                                   | 106,142          |
| Trade and other payables . . . . .                       | (590,227)        |
| Deferred tax liabilities . . . . .                       | (10,637)         |
| Other liabilities . . . . .                              | (32,993)         |
| Net assets acquired . . . . .                            | <u>532,355</u>   |
| Cash consideration . . . . .                             | 569,881          |
| Less: Fair value of net assets acquired . . . . .        | <u>(532,356)</u> |
| Goodwill . . . . .                                       | <u>37,525</u>    |
| Net cash outflow arising on acquisition of a subsidiary: |                  |
| Cash consideration paid . . . . .                        | 569,881          |
| Less: Cash and bank balances acquired . . . . .          | <u>(30,664)</u>  |
|                                                          | <u>539,217</u>   |

The acquisition of 嘉興永瑞 further enhances the Group's core competitiveness in consumer electronics customization business, optimizes our product portfolio and enriches our business and customer structure.

Since the acquisition date, 嘉興永瑞 has contributed approximately RMB1,716,877,000 to the Group's revenue and a loss of approximately RMB 63,351,000 to the overall result of the Group for the year ended 31 December 2025. No pro forma information for the acquisition of 嘉興永瑞 is prepared as the acquisition was completed on 1 January 2025 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on 1 January 2025.

**(ii) Acquisition of Leoni Kabel GmbH (“LCS”)**

On 9 July 2025, the Group acquired 100% of LCS for RMB2,816,574,000. LCS was a limited liability company incorporated in Germany, established on 1 April 1999, and operated automotive cable products.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

|                                                          | Fair value         |
|----------------------------------------------------------|--------------------|
|                                                          | <i>RMB'000</i>     |
| Property, plant and equipment . . . . .                  | 2,031,591          |
| Intangible assets . . . . .                              | 41,634             |
| Right-of-use asset . . . . .                             | 100,758            |
| Trade and other receivables and prepayments . . . . .    | 1,782,077          |
| Inventory . . . . .                                      | 978,748            |
| Cash and bank balances . . . . .                         | 3,245,610          |
| Other assets . . . . .                                   | 967,251            |
| Borrowing . . . . .                                      | (3,397,181)        |
| Trade and other payables . . . . .                       | (2,017,190)        |
| Deferred tax liabilities . . . . .                       | (84,580)           |
| Other liabilities . . . . .                              | (830,418)          |
| Net assets acquired . . . . .                            | <u>2,818,300</u>   |
| Cash consideration paid . . . . .                        | 2,816,574          |
| Less: Fair value of net assets acquired . . . . .        | <u>(2,818,301)</u> |
| Gain on bargain purchase . . . . .                       | <u>(1,727)</u>     |
| Net cash outflow arising on acquisition of a subsidiary: |                    |
| Cash consideration paid . . . . .                        | 2,816,574          |
| Less: Cash and bank balances acquired . . . . .          | <u>(3,245,610)</u> |
|                                                          | <u>(429,036)</u>   |

The acquisition resulted in a gain from bargain purchase because the consideration of the acquisition was lower than the fair value of identified net assets of the business, as the business was in a loss-making position at the time of the acquisition and the seller facing liquidity issues which motivate the seller to divest the business. The Group can add value by implementing optimization strategies to improve the efficiency of asset utilization. the acquisition of LCS further strengthens the Group's strategic presence in the automotive sector.

Since the acquisition date, LCS has contributed approximately RMB5,748,332,000 to the Group's revenue and a profit of approximately RMB192,888,000 to the overall result of the Group for the year ended 31 December 2025. No pro forma information for the acquisition of LCS is prepared as the acquisition was completed on 1 January 2025 and the directors of the Company are of the opinion that there is no significant change to the Group's revenue or profit for the current year had the acquisition been completed on 1 January 2025.

**(iii) Acquisition of Leoni AG ("WSD")**

On 10 July 2025, the Group acquired 50.1% of WSD for RMB1,731,030,000. WSD was a holding company incorporated in Germany and established on 23 April 1917, a supplier of integrated automotive wiring harness system products and solutions.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

|                                                          | Fair value     |
|----------------------------------------------------------|----------------|
|                                                          | <i>RMB'000</i> |
| Property, plant and equipment . . . . .                  | 5,222,774      |
| Intangible assets . . . . .                              | 649,046        |
| Right-of-use asset . . . . .                             | 1,486,896      |
| Trade and other receivables and prepayments . . . . .    | 4,605,812      |
| Inventory . . . . .                                      | 3,359,876      |
| Cash and bank balances . . . . .                         | 6,282,873      |
| Other assets . . . . .                                   | 755,465        |
| Borrowing . . . . .                                      | (5,984,750)    |
| Trade and other payables . . . . .                       | (5,174,216)    |
| Deferred tax liabilities . . . . .                       | (235,144)      |
| Other liabilities . . . . .                              | (6,560,207)    |
| Total identifiable net assets . . . . .                  | 4,408,425      |
| Non-controlling interest . . . . .                       | 2,199,805      |
| Fair value of net assets acquired . . . . .              | 2,208,620      |
| Cash consideration . . . . .                             | 1,731,030      |
| Less: Fair value of net assets acquired . . . . .        | (2,208,620)    |
| Gain on bargain purchase . . . . .                       | (477,590)      |
| Net cash outflow arising on acquisition of a subsidiary: |                |
| Cash consideration paid . . . . .                        | 1,731,030      |
| Less: Cash and bank balances acquired . . . . .          | (6,282,873)    |
|                                                          | (4,551,843)    |

The fair value of the trade and other receivables acquired as part of the business combination amounted to RMB4,605,812,000, with a gross contractual amount of RMB4,683,555,000. As of the acquisition date, the Group's best estimate of the contractual cash flow not expected to be collected amounted to RMB77,743,000.

The acquisition resulted in a gain from bargain purchase because the consideration of the acquisition was lower than the fair value of identified net assets of the business, as the business was in a loss-making position at the time of the acquisition and the seller facing liquidity issues which motivate the seller to divest the business. The Group can add value by implementing optimization strategies to improve the efficiency of asset utilization. the acquisition of WSD further strengthens the Group's strategic presence in the automotive sector.

Since the acquisition date, WSD has contributed approximately RMB15,970,093,000 to the Group's revenue and a profit of approximately RMB258,784,000 to the overall result of the Group for the year ended 31 December 2025.

Had the acquisition been completed on 1 January 2025, revenue for the year of the Group would have been RMB348,031,965,000, and profit for the year of the Group would have been RMB18,296,315,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had WSD been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of equipment at the date of the acquisition.

*(iv) Acquisition of Wingtech Other Mainland Consumer Electronics Businesses*

On 2 July 2025, the Group acquired 100% of entire equity interest of subsidiaries comprising Wingtech Other Mainland Consumer Electronics Businesses for RMB3,685,815,000 from Wingtech, including the entire equity interest in Huangshi Wingtech Communications Co., Ltd. (黄石聞泰通訊有限公司) (now known as Huangshi Zhitong Technology Co., Ltd. (黄石智通電子有限公司)), Wingtech Technology (Shenzhen) Co., Ltd. (聞泰科技(深圳)有限公司) (now known as Shenzhen Luxshare Zhitong Technology Co., Ltd. (深圳立訊智通技術有限公司)), Kunming Wenyao Electronics Technology Co., Ltd. (昆明聞耀電子科技有限公司) and Kunming Wenxun Industrial Co., Ltd. (昆明聞訊實業有限公司) (now known as Kunming Luxshare Technology Co., Ltd. (昆明立訊科技有限公司)). Wingtech Other Mainland Consumer Electronics Businesses were primarily engaged in Wingtech Other Mainland Consumer Electronics Businesses for consumer electronics products.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

|                                                          | Fair value   |
|----------------------------------------------------------|--------------|
|                                                          | RMB'000      |
| Property, plant and equipment . . . . .                  | 2,857,355    |
| Intangible assets . . . . .                              | 2,520        |
| Right-of-use asset . . . . .                             | 174,170      |
| Trade and other receivables and prepayments . . . . .    | 10,818,761   |
| Inventory . . . . .                                      | 1,578,327    |
| Cash and bank balances . . . . .                         | 331,856      |
| Other assets . . . . .                                   | 1,931,220    |
| Borrowing . . . . .                                      | (150,086)    |
| Trade and other payables . . . . .                       | (11,996,648) |
| Deferred tax liabilities . . . . .                       | (3,737)      |
| Other liabilities . . . . .                              | (2,068,657)  |
| Net assets acquired . . . . .                            | 3,475,081    |
| Cash consideration . . . . .                             | 3,685,815    |
| Less: Fair value of net assets acquired . . . . .        | (3,475,081)  |
| Goodwill . . . . .                                       | 210,734      |
| Net cash outflow arising on acquisition of a subsidiary: |              |
| Cash consideration paid . . . . .                        | 3,685,815    |
| Less: Cash and bank balances acquired . . . . .          | (331,856)    |
|                                                          | 3,353,959    |

The fair value of the trade and other receivables acquired as part of the business combination amounted to RMB10,818,761,000, with a gross contractual amount of RMB10,821,239,000. As of the acquisition date the Group's best estimate of the contractual cash flow not expected to be collected amounted to RMB2,478,000.

The acquisition of Wingtech Other Mainland Consumer Electronics Businesses further enhances the Group's core competitiveness in consumer electronics customization business, optimizes its product portfolio and enriches its business and customer structure.

Since the acquisition date, Wingtech Other Mainland Consumer Electronics Businesses has contributed approximately RMB23,588,965,000 to the Group's revenue and a loss of approximately RMB350,348,000 to the overall result of the Group for the year ended 31 December 2025.

Had the acquisition been completed on 1 January 2025, revenue for the year of the Group would have been RMB349,722,702,000, and profit for the year of the Group would have been RMB17,697,123,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Wingtech Other Mainland Consumer Electronics Businesses been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of equipment at the date of the acquisition.

#### 49 PLEDGED ASSETS

At the end of each reporting period, the Group's certain assets have been pledged to secure borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group at the end of each reporting period are as follows:

|                                         | As at 31 December |                   |                   |
|-----------------------------------------|-------------------|-------------------|-------------------|
|                                         | 2023              | 2024              | 2025              |
|                                         | RMB'000           | RMB'000           | RMB'000           |
| Property, plant and equipment . . . . . | 635,803           | 2,220,048         | 4,067,335         |
| Right of use assets . . . . .           | 401,674           | 283,667           | 823,988           |
| Trade and note receivables . . . . .    | 164,567           | —                 | 15,202            |
| Restricted bank deposits . . . . .      | 3,935,387         | 1,092,553         | 1,818,564         |
| Term deposits . . . . .                 | 2,874,098         | 11,959,559        | 19,983,089        |
|                                         | <u>8,011,529</u>  | <u>15,555,827</u> | <u>26,708,178</u> |

#### 50 COMMITMENTS

On 16 December 2023, the Company entered into an agreement with 威訊聯合半導體有限公司, proposing to acquire 100% equity interests in 威訊聯合半導體(新加坡)有限公司 ("威訊新加坡") and 威訊聯合半導體(香港)有限公司 ("威訊香港") from 威訊聯合半導體有限公司 ("威訊聯合半導體"). As of 31 December 2023, the Group paid a deposit of US\$20,000,000 to 威訊聯合半導體 for the equity acquisition. The transaction was completed and the equity interests were successfully transferred to the Group in May 2024.

#### 51 CONTINGENT LIABILITIES

In January 2022, the German Federal Cartel Office (Bundeskartellamt) initiated proceedings against several cable manufacturers and other industry-related companies, including conducting searches at the business premises of LEONI AG, a subsidiary of the Company acquired in 2025. The investigation was launched based on suspicion of collusion among cable manufacturers in Germany concerning the customary method for calculating metal surcharges.

LEONI AG continues to cooperate with the regulatory authorities and is conducting an internal review regarding the allegations and the findings from its examination of the investigative documents. As the Bundeskartellamt's proceedings remain in the investigative phase, a reliable assessment of the potential outcome is currently not possible to be made. As of the date of this report, the regulatory authorities have not granted full access to the relevant records.

In preparing the consolidated financial statements, Management of the Company continues to believe that the available evidence is insufficient to prove any violation, accordingly the likelihood of a fine being imposed is extremely low.

**52 DIVIDEND**

|                                                                                                                                                                                                               | Year ended 31 December |                  |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|------------------|
|                                                                                                                                                                                                               | 2023                   | 2024             | 2025             |
|                                                                                                                                                                                                               | <i>RMB'000</i>         | <i>RMB'000</i>   | <i>RMB'000</i>   |
| Final dividend declared after the end of each financial year during the Track Record Period of RMB0.3, RMB0.2 and RMB0.3 per ordinary share in respect of the years ended 31 December 2023, 2024 and 2025 . . | 2,153,403              | 1,449,476        | 2,183,785*       |
|                                                                                                                                                                                                               | <u>2,153,403</u>       | <u>1,449,476</u> | <u>2,183,785</u> |

\* In June 2025, a dividend of RMB0.16 per share, in aggregate amount of approximately RMB1,165,133,000 for the first three quarters of the 2025 was approved in the extraordinary general meeting of the Company and paid in 2026.

In April 2026, a dividend of RMB0.14 per share, in aggregate amount of approximately RMB1,018,652,000 for the year ended December 31, 2025 was approved in the board of directors of the Company.

**53 SUBSEQUENT EVENTS**

No material subsequent events undertaken by or impacted on the Company or the Group subsequent to 31 December 2025 and up the date of this report.

**54 SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared for the Company or any of its subsidiaries in respect of any period subsequent to 31 December 2025 and up to the date of this report.



*The following is the text of a report set out on pages IA-1 to IA-20, received from the Company's reporting accountants, BDO Limited, Hong Kong, for the purpose of incorporation in this prospectus. The information set out below is the unaudited interim condensed consolidated financial information of the Group for three months ended 31 March 2026 and does not form part of the Accountant's Report from the reporting accountants, BDO Limited, 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 BOARD OF DIRECTORS OF LUXSHARE PRECISION INDUSTRY CO., LTD. (INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA WITH LIMITED LIABILITY)

#### INTRODUCTION

We have reviewed the interim condensed consolidated financial information set out on pages IA-3 to IA-20, which comprises the interim condensed consolidated statement of financial position of Luxshare Precision Industry Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") as of 31 March 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-months period then ended, and notes to the interim condensed consolidated financial information, including material accounting policy information (the "**Interim Financial Information**"). The Interim Financial Information has been prepared by the directors of the Company solely for the purpose of inclusion in the document of the Company dated 30 June 2026 (the "**Document**") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**"). Our responsibility is to express a conclusion on the Interim Financial Information based on our review. This report is made 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*. A review of the 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 information for the interim condensed consolidated statement of financial position is based on the historical financial information as of 31 December 2025. The comparative information for the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the three months ended 2025 has not been audited or reviewed.

**BDO Limited**

Certified Public Accountants

CHAN WING FAI

Practising Certificate no. P05443

Hong Kong

30 June 2026

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME*Three months ended 31 March 2026 (Unaudited)*

|                                                                                                                 | Notes | Three months ended 31 March |                        |
|-----------------------------------------------------------------------------------------------------------------|-------|-----------------------------|------------------------|
|                                                                                                                 |       | 2026                        | 2025                   |
|                                                                                                                 |       | RMB'000<br>(Unaudited)      | RMB'000<br>(Unaudited) |
| Revenue . . . . .                                                                                               | 6     | 83,888,492                  | 61,787,690             |
| Cost of sales . . . . .                                                                                         |       | (74,329,964)                | (55,327,748)           |
| <b>Gross profit . . . . .</b>                                                                                   |       | <b>9,558,528</b>            | <b>6,459,942</b>       |
| Other income . . . . .                                                                                          |       | 331,498                     | 183,619                |
| Other gains, net . . . . .                                                                                      |       | (76,576)                    | 898,966                |
| Impairment losses . . . . .                                                                                     |       | (22,599)                    | (26,621)               |
| Selling expenses . . . . .                                                                                      |       | (721,723)                   | (290,517)              |
| General and administrative expenses . . . . .                                                                   |       | (3,088,196)                 | (1,637,775)            |
| Research and development expenses . . . . .                                                                     |       | (3,021,085)                 | (2,144,284)            |
| <b>Operating profit . . . . .</b>                                                                               |       | <b>2,959,847</b>            | <b>3,443,330</b>       |
| Finance income . . . . .                                                                                        |       | 477,110                     | 228,775                |
| Finance cost . . . . .                                                                                          |       | (526,214)                   | (380,833)              |
| <b>Finance costs — net . . . . .</b>                                                                            |       | <b>(49,104)</b>             | <b>(152,058)</b>       |
| Share of profits of associates . . . . .                                                                        |       | 1,379,664                   | 530,314                |
| Share of losses of joint ventures . . . . .                                                                     |       | 547                         | —                      |
| <b>Profit before income tax . . . . .</b>                                                                       |       | <b>4,290,954</b>            | <b>3,821,586</b>       |
| Income tax expense . . . . .                                                                                    |       | (323,319)                   | (444,543)              |
| <b>Profit for the period . . . . .</b>                                                                          |       | <b>3,967,635</b>            | <b>3,377,043</b>       |
| <b>Other comprehensive income for the period</b>                                                                |       |                             |                        |
| <i>Items that may be reclassified subsequently to profit or loss, net of tax:</i>                               |       |                             |                        |
| Change in foreign currency translation of the financial statements of the subsidiaries of the Company . . . . . |       | (516,048)                   | (53,566)               |
| Share of other comprehensive income of investment in associates . . . . .                                       |       | 9,940                       | —                      |
| Gain/(loss) of cash flow hedge . . . . .                                                                        |       | (6,425)                     | —                      |
| <i>Items that may be reclassified subsequently to profit or loss, net of tax:</i>                               |       |                             |                        |
| Fair value changes of financial assets at fair value through other comprehensive income . . . . .               |       | 2,562                       | 12,164                 |
| <b>Other comprehensive income/(loss) for the period, net of tax . . . . .</b>                                   |       | <b>(509,971)</b>            | <b>(41,402)</b>        |
| <b>Total comprehensive income for the period . . . . .</b>                                                      |       | <b>3,457,664</b>            | <b>3,335,641</b>       |

|                                                                                                                         |       | Three months ended 31 March |                        |
|-------------------------------------------------------------------------------------------------------------------------|-------|-----------------------------|------------------------|
|                                                                                                                         | Notes | 2026                        | 2025                   |
|                                                                                                                         |       | RMB'000<br>(Unaudited)      | RMB'000<br>(Unaudited) |
| <b>Profit for the period attributable to:</b>                                                                           |       |                             |                        |
| Owners of the Company . . . . .                                                                                         |       | 3,659,642                   | 3,043,575              |
| Non-controlling interests . . . . .                                                                                     |       | 307,993                     | 333,468                |
|                                                                                                                         |       | <u>3,967,635</u>            | <u>3,377,043</u>       |
| <b>Total comprehensive income for the period attributable to:</b>                                                       |       |                             |                        |
| Owners of the Company . . . . .                                                                                         |       | 3,224,752                   | 2,984,942              |
| Non-controlling interests . . . . .                                                                                     |       | 232,912                     | 350,699                |
|                                                                                                                         |       | <u>3,457,664</u>            | <u>3,335,641</u>       |
| <b>Profit and total comprehensive income for the period attributable to the equity holders of the Company . . . . .</b> |       |                             |                        |
|                                                                                                                         |       | <u>3,457,664</u>            | <u>3,335,641</u>       |
| <b>Earnings per share attributable to owners of the Company (in RMB)</b>                                                |       |                             |                        |
| Basic (RMB per share) . . . . .                                                                                         | 7     | 0.50                        | 0.42                   |
| Diluted (RMB per share). . . . .                                                                                        | 7     | 0.48                        | 0.41                   |

**APPENDIX IA**
**UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
*At 31 March 2026 (Unaudited)*

|                                                                                           |              | <b>As at 31 March</b>         | <b>As at 31 December</b>    |
|-------------------------------------------------------------------------------------------|--------------|-------------------------------|-----------------------------|
|                                                                                           | <i>Notes</i> | <b>2026</b>                   | <b>2025</b>                 |
|                                                                                           |              | <i>RMB'000</i><br>(Unaudited) | <i>RMB'000</i><br>(Audited) |
| <b>ASSETS</b>                                                                             |              |                               |                             |
| <b>Non-current assets</b>                                                                 |              |                               |                             |
| Property, plant and equipment (“PPE”) . . . . .                                           |              | 69,907,239                    | 71,608,996                  |
| Investment properties . . . . .                                                           |              | 95,220                        | 98,488                      |
| Intangible assets . . . . .                                                               |              | 1,028,138                     | 1,020,286                   |
| Right-of-use assets . . . . .                                                             |              | 5,284,022                     | 5,278,767                   |
| Goodwill . . . . .                                                                        |              | 2,239,173                     | 2,239,173                   |
| Deferred tax assets . . . . .                                                             |              | 2,566,767                     | 2,533,431                   |
| Prepayments and other receivables . . . . .                                               |              | 3,463,835                     | 2,959,476                   |
| Investment in associates . . . . .                                                        | 8            | 13,267,674                    | 11,875,669                  |
| Investment in joint ventures . . . . .                                                    |              | 135,988                       | 134,028                     |
| Financial assets at fair value through other<br>comprehensive income (“FVTOCI”) . . . . . | 10           | 288,472                       | 219,462                     |
| Financial assets at fair value through profit or loss<br>(“FVTPL”) . . . . .              | 9            | 37,584                        | 37,637                      |
| Term deposits . . . . .                                                                   | 11           | 14,687,734                    | 12,515,287                  |
| Total non-current assets . . . . .                                                        |              | <u>113,001,846</u>            | <u>110,520,700</u>          |
| <b>Current assets</b>                                                                     |              |                               |                             |
| Inventories . . . . .                                                                     |              | 45,744,765                    | 42,010,231                  |
| Contract fulfilment costs . . . . .                                                       |              | 287,325                       | 322,551                     |
| Income tax recoverable . . . . .                                                          |              | 213,429                       | 234,949                     |
| Trade and note receivables . . . . .                                                      |              | 44,994,732                    | 48,960,683                  |
| Contract assets . . . . .                                                                 |              | 1,150,777                     | 1,138,331                   |
| Prepayments and other receivables . . . . .                                               |              | 6,128,607                     | 6,914,399                   |
| Financial assets at fair value through other<br>comprehensive income (“FVTOCI”) . . . . . | 10           | 2,708,100                     | 1,263,240                   |
| Financial assets at fair value through profit or loss<br>(“FVTPL”) . . . . .              | 9            | 5,533,536                     | 2,842,065                   |
| Derivative financial instruments . . . . .                                                |              | 64,421                        | 102,964                     |
| Restricted bank deposits . . . . .                                                        | 11           | 3,005,858                     | 1,818,564                   |
| Term deposits . . . . .                                                                   | 11           | 35,463,054                    | 31,068,385                  |
| Cash and cash equivalents . . . . .                                                       | 11           | 67,320,137                    | 59,340,613                  |
| Total current assets . . . . .                                                            |              | <u>212,614,741</u>            | <u>196,016,975</u>          |
| <b>Total assets</b> . . . . .                                                             |              | <u><u>325,616,587</u></u>     | <u><u>306,537,675</u></u>   |

**APPENDIX IA**
**UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**

|                                                                                 |       | As at 31 March         | As at 31 December    |
|---------------------------------------------------------------------------------|-------|------------------------|----------------------|
|                                                                                 | Notes | 2026                   | 2025                 |
|                                                                                 |       | RMB'000<br>(Unaudited) | RMB'000<br>(Audited) |
| <b>LIABILITIES</b>                                                              |       |                        |                      |
| <b>Current liabilities</b>                                                      |       |                        |                      |
| Trade and note payables . . . . .                                               |       | 64,328,473             | 76,483,034           |
| Other payables and accruals . . . . .                                           |       | 13,368,130             | 17,575,491           |
| Contract liabilities . . . . .                                                  |       | 1,129,667              | 931,292              |
| Borrowings . . . . .                                                            | 13    | 93,233,673             | 70,264,324           |
| Lease liabilities . . . . .                                                     |       | 629,005                | 587,396              |
| Derivative financial instruments . . . . .                                      |       | 15,024                 | 38,122               |
| Income tax payable . . . . .                                                    |       | 875,991                | 1,172,828            |
| Convertible bond . . . . .                                                      |       | 3,407,358              | 2,950,609            |
| Short-term financing bills . . . . .                                            | 12    | 8,040,262              | 6,024,479            |
| Financial liabilities at fair value through profit or<br>loss . . . . .         |       | 253,434                | 424,219              |
| Long term payable . . . . .                                                     |       | 36,793                 | 36,340               |
| Total current liabilities . . . . .                                             |       | 185,317,810            | 176,488,134          |
| <b>Net current assets</b> . . . . .                                             |       | 27,296,931             | 19,528,841           |
| <b>Total assets less current liabilities</b> . . . . .                          |       | 140,298,777            | 130,049,541          |
| <b>Non-current liabilities</b>                                                  |       |                        |                      |
| Borrowings . . . . .                                                            | 13    | 22,407,473             | 16,441,983           |
| Convertible bond . . . . .                                                      |       | —                      | 436,185              |
| Medium-term notes . . . . .                                                     |       | 3,007,762              | 3,055,652            |
| Lease liabilities . . . . .                                                     |       | 2,358,382              | 2,352,693            |
| Deferred tax liabilities . . . . .                                              |       | 1,020,319              | 1,144,144            |
| Deferred income . . . . .                                                       |       | 1,182,421              | 1,138,421            |
| Other payables and accruals . . . . .                                           |       | 1,341,264              | 1,457,231            |
| Long term payables . . . . .                                                    |       | 2,999                  | 2,999                |
| Total non-current liabilities . . . . .                                         |       | 31,320,620             | 26,029,308           |
| Total liabilities . . . . .                                                     |       | 216,638,430            | 202,517,442          |
| <b>Net assets</b> . . . . .                                                     |       | 108,978,157            | 104,020,233          |
| <b>Capital and reserves</b>                                                     |       |                        |                      |
| Share capital . . . . .                                                         |       | 7,285,985              | 7,284,443            |
| Treasury Stock . . . . .                                                        |       | (499,994)              | —                    |
| Other equity instrument . . . . .                                               |       | 527,162                | 527,171              |
| Reserves . . . . .                                                              |       | 13,302,036             | 12,081,794           |
| Other comprehensive income . . . . .                                            |       | (2,039,728)            | (1,648,324)          |
| Cash Flow Hedge Reserve . . . . .                                               |       | 11,893                 | 55,379               |
| Retained earnings . . . . .                                                     |       | 70,280,283             | 66,620,641           |
| <b>Capital and reserves attributable to owners of the<br/>Company</b> . . . . . |       | 88,867,637             | 84,921,104           |
| <b>Non-controlling interests</b> . . . . .                                      |       | 20,110,520             | 19,099,129           |
| <b>Total equity</b> . . . . .                                                   |       | 108,978,157            | 104,020,233          |

**APPENDIX IA**
**UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
*Three months ended 31 March 2026 (Unaudited)*

|                                                                                           | Share<br>capital | Treasury<br>Stock (Note) | Other equity<br>instrument | Reserves   | Other<br>Comprehensive<br>Income | Cash Flow<br>Hedge<br>Reserve | Retained<br>earnings | Subtotal   | Non-controlling<br>interests | Total       |
|-------------------------------------------------------------------------------------------|------------------|--------------------------|----------------------------|------------|----------------------------------|-------------------------------|----------------------|------------|------------------------------|-------------|
|                                                                                           | RMB'000          | RMB'000                  | RMB'000                    | RMB'000    | RMB'000                          | RMB'000                       | RMB'000              | RMB'000    | RMB'000                      | RMB'000     |
| <b>As at 1 January 2026 . . .</b>                                                         | 7,284,443        | —                        | 527,171                    | 12,081,794 | (1,612,401)                      | 19,456                        | 66,620,641           | 84,921,104 | 19,099,129                   | 104,020,233 |
| <b>Comprehensive income</b>                                                               |                  |                          |                            |            |                                  |                               |                      |            |                              |             |
| Profit for the period . . . .                                                             | —                | —                        | —                          | —          | —                                | —                             | 3,659,642            | 3,659,642  | 307,993                      | 3,967,635   |
| Other comprehensive<br>income . . . . .                                                   | —                | —                        | —                          | —          | (427,327)                        | (7,563)                       | —                    | (434,890)  | (75,081)                     | (509,971)   |
| <b>Total comprehensive<br/>income for the period . .</b>                                  | —                | —                        | —                          | —          | (427,327)                        | (7,563)                       | 3,659,642            | 3,224,752  | 232,912                      | 3,457,664   |
| <b>Transactions with owners</b>                                                           |                  |                          |                            |            |                                  |                               |                      |            |                              |             |
| Exercise of share incentive<br>scheme-Employee Stock<br>Options . . . . .                 | 1,541            | —                        | —                          | 49,528     | —                                | —                             | —                    | 51,069     | —                            | 51,069      |
| Exercise conversion right of<br>convertible bonds . . . .                                 | 1                | —                        | (9)                        | 50         | —                                | —                             | —                    | 42         | —                            | 42          |
| Share-based payment<br>expense . . . . .                                                  | —                | —                        | —                          | 317,699    | —                                | —                             | —                    | 317,699    | —                            | 317,699     |
| Changes in the Group's<br>ownership interest in<br>existing investment. . . .             | —                | —                        | —                          | 848,400    | —                                | —                             | —                    | 848,400    | 775,152                      | 1,623,552   |
| Repurchase of shares . . . .                                                              | —                | (499,994)                | —                          | —          | —                                | —                             | —                    | (499,994)  | —                            | (499,994)   |
| Appropriation of special<br>reserves . . . . .                                            | —                | —                        | —                          | 4,565      | —                                | —                             | —                    | 4,565      | 4,569                        | 9,134       |
| Dividends . . . . .                                                                       | —                | —                        | —                          | —          | —                                | —                             | —                    | —          | (1,242)                      | (1,242)     |
| <b>Total transactions with<br/>owners in their capacity<br/>as owners for the period.</b> | 1,542            | (499,994)                | (9)                        | 1,220,242  | —                                | —                             | —                    | 721,781    | 778,479                      | 1,500,260   |
| <b>As at 31 March 2026 . . .</b>                                                          | 7,285,985        | (499,994)                | 527,162                    | 13,302,036 | (2,039,728)                      | 11,893                        | 70,280,283           | 88,867,637 | 20,110,520                   | 108,978,157 |

*Note:* On 13 February 2026, as approved by the board of director, the Company repurchased its A shares by its own funds through centralized bidding transactions, with the purpose of implementing an employee stock incentive scheme. The Company repurchased a total of 9,900,600 shares and the treasury stock increased by RMB499,994,000.



**APPENDIX IA**
**UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
*Three months ended 31 March 2025 (Unaudited)*

|                                                                                   | Share capital    | Other equity instrument | Reserves         | Other Comprehensive Income | Retained earnings | Subtotal          | Non-controlling interests | Total             |
|-----------------------------------------------------------------------------------|------------------|-------------------------|------------------|----------------------------|-------------------|-------------------|---------------------------|-------------------|
|                                                                                   | RMB'000          | RMB'000                 | RMB'000          | RMB'000                    | RMB'000           | RMB'000           | RMB'000                   | RMB'000           |
| <b>As at 1 January 2025 . . .</b>                                                 | 7,236,462        | 527,271                 | 9,165,942        | (703,805)                  | 53,101,140        | 69,327,010        | 15,360,115                | 84,687,125        |
| <b>Comprehensive income</b>                                                       |                  |                         |                  |                            |                   |                   |                           |                   |
| Profit for the period. . . . .                                                    | —                | —                       | —                | —                          | 3,043,575         | 3,043,575         | 333,468                   | 3,377,043         |
| Other comprehensive income . . . . .                                              | —                | —                       | —                | (58,633)                   | —                 | (58,633)          | 17,231                    | (41,402)          |
| <b>Total comprehensive income for the period . .</b>                              | —                | —                       | —                | (58,633)                   | 3,043,575         | 2,984,942         | 350,699                   | 3,335,641         |
| <b>Transactions with owners</b>                                                   |                  |                         |                  |                            |                   |                   |                           |                   |
| Exercise of share incentive scheme-Employee Stock Options . . . . .               | 4,454            | —                       | 129,168          | —                          | —                 | 133,622           | 146,158                   | 279,780           |
| Exercise conversion right of convertible bonds . . . . .                          | —                | —                       | 1                | —                          | —                 | 1                 | —                         | 1                 |
| Share-based payment expense . . . . .                                             | —                | —                       | 10,178           | —                          | —                 | 10,178            | 3,952                     | 14,130            |
| Changes in the Group's ownership interest in existing investment . . . . .        | —                | —                       | 63,435           | —                          | —                 | 63,435            | (64,283)                  | (848)             |
| Appropriation of special reserves . . . . .                                       | —                | —                       | 3,239            | —                          | —                 | 3,239             | 2,934                     | 6,173             |
| Disposal of financial asset at FVTOCI . . . . .                                   | —                | —                       | —                | (38,970)                   | 38,970            | —                 | —                         | —                 |
| <b>Total transactions with owners in their capacity as owners for the period.</b> | 4,454            | —                       | 206,021          | (38,970)                   | 38,970            | 210,475           | 88,761                    | 299,236           |
| <b>As at 31 March 2025. . .</b>                                                   | <u>7,240,916</u> | <u>527,271</u>          | <u>9,371,963</u> | <u>(801,408)</u>           | <u>56,183,685</u> | <u>72,522,427</u> | <u>15,799,575</u>         | <u>88,322,002</u> |

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

*Three months ended 31 March 2026 (Unaudited)*

|                                                                                          | Three months ended 31 March |                        |
|------------------------------------------------------------------------------------------|-----------------------------|------------------------|
|                                                                                          | 2026                        | 2025                   |
|                                                                                          | RMB'000<br>(Unaudited)      | RMB'000<br>(Unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES                                                     |                             |                        |
| Profit before income tax . . . . .                                                       | 4,290,954                   | 3,821,586              |
| Adjustments for:                                                                         |                             |                        |
| Impairment losses under expected credit losses (“ECL”) model . . . . .                   | 22,599                      | 26,621                 |
| Provision for inventories and contract fulfilment costs . . . . .                        | 441,416                     | 447,508                |
| Impairment loss on PPE . . . . .                                                         | 4,864                       | 13,371                 |
| Depreciation of PPE and investment properties . . . . .                                  | 3,320,499                   | 3,106,480              |
| Depreciation of right-of-use assets . . . . .                                            | 253,085                     | 100,902                |
| Amortization of intangible assets . . . . .                                              | 149,863                     | 111,150                |
| Gain on disposal of/written off PPE, intangible assets and right-of-use assets . . . . . | (17,822)                    | (6,468)                |
| Change in fair value of financial assets at FVTPL . . . . .                              | (1,021,615)                 | (833,857)              |
| Interest expenses . . . . .                                                              | 526,214                     | 380,833                |
| Foreign currency exchange gain/(loss) . . . . .                                          | —                           | 302,830                |
| Share of profits of associates . . . . .                                                 | (1,379,664)                 | (530,314)              |
| Share of losses of joint venture . . . . .                                               | (547)                       | —                      |
| Loss on disposal of financial assets at FVTOCI . . . . .                                 | 120,525                     | 118,742                |
| Operating cash flow before movements in working capital . . . . .                        | 6,710,371                   | 7,059,384              |
| (Increase)/decrease in inventories and contract fulfilment costs . . . . .               | (3,843,979)                 | (3,411,736)            |
| Decrease in trade receivables, note receivables and contract asset . . . . .             | 2,516,737                   | 1,174,876              |
| Increase in prepayments and other receivables . . . . .                                  | (6,249,364)                 | (5,531,902)            |
| Decrease in trade and notes payables . . . . .                                           | (6,057,987)                 | (3,565,770)            |
| Increase in contract liabilities . . . . .                                               | 198,375                     | 103,557                |
| (Decrease)/increase in other payables and accruals . . . . .                             | 94,025                      | (2,324,892)            |
| Increase in deferred income . . . . .                                                    | 44,001                      | 98,867                 |
| Cash used in operations . . . . .                                                        | (6,587,821)                 | (6,397,616)            |
| Income taxes paid . . . . .                                                              | (480,480)                   | (294,041)              |
| Net cash used in operating activities . . . . .                                          | (7,068,301)                 | (6,691,657)            |

|                                                                                           | <i>Notes</i> | Three months ended 31 March   |                               |
|-------------------------------------------------------------------------------------------|--------------|-------------------------------|-------------------------------|
|                                                                                           |              | 2026                          | 2025                          |
|                                                                                           |              | <i>RMB'000</i><br>(Unaudited) | <i>RMB'000</i><br>(Unaudited) |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES</b>                                           |              |                               |                               |
| (Purchases)/disposals of financial assets, net . . . . .                                  |              | (9,273,251)                   | (4,622,086)                   |
| Payment for acquisition of subsidiaries, net . . . . .                                    |              | —                             | (652,255)                     |
| Proceeds from disposal of PPE, intangible assets<br>and other non-current assets. . . . . |              | 67,991                        | 25,405                        |
| Purchase of PPE, intangible assets and other<br>non-current assets . . . . .              |              | (5,538,975)                   | (5,114,664)                   |
| Increase of restricted cash. . . . .                                                      |              | (171,200)                     | (2,327,305)                   |
| <b>Net cash used in investing activities . . . . .</b>                                    |              | <b>(14,915,435)</b>           | <b>(12,690,905)</b>           |
| <b>CASH FLOWS FROM FINANCING<br/>ACTIVITIES</b>                                           |              |                               |                               |
| Proceeds from contributions by non-controlling<br>interests in subsidiaries . . . . .     |              | 1,622,058                     | 133,041                       |
| Proceeds from employees for the exercise of stock<br>options . . . . .                    |              | 51,069                        | 119,705                       |
| Proceeds from medium-term notes. . . . .                                                  |              | 3,000,000                     | 3,000,000                     |
| Changes of short-term financing bills. . . . .                                            |              | (1,085,305)                   | (1,014,868)                   |
| Proceeds from bank borrowings. . . . .                                                    |              | 56,552,786                    | 39,218,346                    |
| Repayments of bank borrowings . . . . .                                                   |              | (27,633,570)                  | (18,342,611)                  |
| Repayments of short-term notes. . . . .                                                   |              | —                             | 12,945                        |
| Lease payments . . . . .                                                                  |              | (161,382)                     | (53,924)                      |
| Dividends paid . . . . .                                                                  |              | (1,165,133)                   | (44,100)                      |
| Debt issuance costs. . . . .                                                              |              | (7,071)                       | (6,039)                       |
| Repayment on other payables to third parties . . . . .                                    |              | —                             | (847,600)                     |
| Repayment of convertible bonds . . . . .                                                  |              | (54,000)                      | —                             |
| Decrease/(Increase) of restricted cash . . . . .                                          |              | —                             | 97                            |
| Payment of listing expense . . . . .                                                      |              | (11,551)                      | —                             |
| Repurchase of shares . . . . .                                                            |              | (499,994)                     | —                             |
| <b>Net cash generated from financing activities . . . . .</b>                             |              | <b>30,607,907</b>             | <b>22,174,992</b>             |
| <b>NET INCREASE IN CASH AND CASH<br/>EQUIVALENTS. . . . .</b>                             |              | <b>8,624,171</b>              | <b>2,792,430</b>              |
| Cash and cash equivalents at the beginning of the<br>period. . . . .                      |              | 59,340,613                    | 47,267,103                    |
| Effect of foreign exchange rate changes, net . . . . .                                    |              | (644,647)                     | 184,875                       |
| <b>CASH AND CASH EQUIVALENTS AT THE<br/>END OF THE PERIOD . . . . .</b>                   |              | <b>67,320,137</b>             | <b>50,244,408</b>             |

## 1 GENERAL INFORMATION

Luxshare Precision Industry Co., LTD. (“**the Company**”) is a joint stock company with limited liability incorporated in the People’s Republic of China (the “**PRC**”). Founded on May 2004, the Company was established by Shenzhen Zixin Investment Company Limited (深圳市資信投資有限公司) and Luxshare Company Limited (立訊有限公司). The Company was subsequently listed on the Shenzhen Stock Exchange in September 2010.

The address of the Company’s registered office is located at 2/F, Building A, Sanyang New Industrial Zone, Haoyi West, Shajing Street, Baoan District, Shenzhen City, Guangdong Province, People’s Republic of China, while the principal place of business activities is at No. 313 North Ring Road, Qingxi Town, Dongguan City, Guangdong Province, People’s Republic of China.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in providing cross-sector, integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other emerging end markets.

The immediate holding company of the Company is Luxshare Company Limited (立訊有限公司), and the ultimate controlling shareholders of the Company are Wang Laichun and Wang Laisheng.

## 2 BASIS OF PREPARATION

This interim condensed consolidated financial information, comprising the interim condensed consolidated statement of financial position as at 31 March 2025, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three months ended 31 March 2026 (collectively referred to as the “**Interim Financial Information**”), has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“**IAS 34**”) as issued by the International Accounting Standards Board (“**IASB**”).

The interim condensed consolidated financial information has been prepared in accordance with the same accounting policies adopted in the historical information for the years ended 31 December 2023, 2024 and 2025 (the “**Historical Financial Information**”) as disclosed in Appendix I to the Company’s prospectus dated 30 June 2026 (the “**Prospectus**”), except for the new accounting standard set out in note 3.

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 31 December 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.

**3 MATERIAL ACCOUNTING POLICY INFORMATION****Application of amendment to IFRS Accounting Standards**

In the current interim period, the Group has applied, for the first time, the following amendment to IFRS Accounting Standards issued by the IASB which are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
- Amendments to IFRS Accounting Standards: Annual Improvements to IFRS Accounting Standards

The adoption of the above-mentioned amendment to IFRSs has had no material impact on the financial position and financial performance of the Group.

**New and amendments to IFRS Accounting Standards issued but not yet effective**

At the date of this report, the following new standard and amendments to IFRS Accounting Standards that have been issued but are not effective and have not been early adopted by the Group:

|                                  |                                                                                                    |
|----------------------------------|----------------------------------------------------------------------------------------------------|
| IFRS 18                          | Presentation and Disclosure in Financial Statements <sup>1</sup>                                   |
| IFRS 19                          | Subsidiaries without Public Accountability: Disclosures <sup>1</sup>                               |
| Amendments to IAS 21             | Translation to a Hyperinflationary Presentation Currency <sup>1</sup>                              |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup> |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in a note and includes new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation in the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that new and amended standards are unlikely to have a significant impact on the Group's results of operations and financial position.

**4 SEGMENT INFORMATION**

The Group manages its businesses by business lines, in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment. The Group has one single operating segment and no further analysis of the single segment is presented.

The geographical location of the Group's non-current assets (excluding deferred income tax assets and financial assets), mainly comprised of the property, plant and equipment, is based on the physical location of these assets.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

|                                             | As at 31 March | As at 31 December |
|---------------------------------------------|----------------|-------------------|
|                                             | 2026           | 2025              |
|                                             | <i>RMB'000</i> | <i>RMB'000</i>    |
|                                             | (Unaudited)    | (Unaudited)       |
| Europe . . . . .                            | 9,458,671      | 9,809,278         |
| North and Central America . . . . .         | 1,093,728      | 1,119,450         |
| Asia (excluding Chinese Mainland) . . . . . | 22,344,302     | 20,665,416        |
|                                             | 32,896,701     | 31,594,144        |
| Chinese Mainland . . . . .                  | 62,524,588     | 63,620,739        |
|                                             | 95,421,289     | 95,214,883        |

Revenue from customers contributing over 10% of the total revenue of the Group during the period ended 31 March 2026, 31 March 2025 is as follows:

|                      | Three months ended 31 March |             |
|----------------------|-----------------------------|-------------|
|                      | 2026                        | 2025        |
|                      | (Unaudited)                 | (Unaudited) |
| Customer A . . . . . | 43,861,954                  | 39,954,099  |

## 6 REVENUE

### (a) Disaggregation of revenue from contracts with customers

Revenue for the period ended 31 March 2026 and 31 March 2025 are as follows:

|                           | Three months ended 31 March |                |
|---------------------------|-----------------------------|----------------|
|                           | 2026                        | 2025           |
|                           | <i>RMB'000</i>              | <i>RMB'000</i> |
|                           | (Unaudited)                 | (Unaudited)    |
| Sale of products          |                             |                |
| — Point in time . . . . . | 80,496,429                  | 61,787,690     |
| — Over time . . . . .     | 3,392,063                   | —              |
|                           | 83,888,492                  | 61,787,690     |

Revenue by location of the customers for the period ended 31 March 2025, 31 March 2026 are as follows:

|                                             | Three months ended 31 March |                        |
|---------------------------------------------|-----------------------------|------------------------|
|                                             | 2026                        | 2025                   |
|                                             | RMB'000<br>(Unaudited)      | RMB'000<br>(Unaudited) |
| Europe . . . . .                            | 30,699,292                  | 19,731,153             |
| North and Central America . . . . .         | 22,098,879                  | 20,016,821             |
| Asia (excluding Chinese Mainland) . . . . . | 17,773,374                  | 11,379,244             |
| Others . . . . .                            | 93,840                      | 19,670                 |
|                                             | 70,665,385                  | 51,146,888             |
| Chinese Mainland . . . . .                  | 13,223,107                  | 10,640,802             |
|                                             | 83,888,492                  | 61,787,690             |

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share for the three months ended 31 March 2026 and 31 March 2025 calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue for the three months ended 31 March 2026 and 2025, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

|                                                                                                                                         | Three months ended 31 March |                        |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------|
|                                                                                                                                         | 2026                        | 2025                   |
|                                                                                                                                         | RMB'000<br>(Unaudited)      | RMB'000<br>(Unaudited) |
| Profit for the period attributable to owners of the Company . . . . .                                                                   | 3,659,642                   | 3,043,575              |
| Weighted average number of ordinary shares in issue for the purpose of calculating basic earnings per share (thousand shares) . . . . . | 7,282,116                   | 7,237,719              |
| Basic earnings per share (RMB per share) . . . . .                                                                                      | 0.50                        | 0.42                   |

### (b) Diluted earnings per share

The calculation of the diluted earnings per share attribute to owners of the Company is based on the following data:

|                                                                              | Three months ended 31 March |           |
|------------------------------------------------------------------------------|-----------------------------|-----------|
|                                                                              | 2026                        | 2025      |
|                                                                              |                             |           |
| Profit for the period attributed to owners of the Company . . . . .          | 3,659,642                   | 3,043,575 |
| Effect of share options issued by subsidiaries ( <i>Note</i> ) . . . . .     | (27,016)                    | (8,664)   |
| Earnings for the purpose of calculating diluted earnings per share . . . . . | 3,632,626                   | 3,034,911 |

*Note:* For the three months ended 31 March 2026 and 2025, the effect of share options issued by subsidiaries is related to the share options issued by its subsidiaries disclosed in Notes 41 in Appendix I to the Company's prospectus.



Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential diluted ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

|                                                                                                                                                                | Three months ended 31 March |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|
|                                                                                                                                                                | 2026                        | 2025           |
|                                                                                                                                                                | <i>RMB'000</i>              | <i>RMB'000</i> |
|                                                                                                                                                                | (Unaudited)                 | (Unaudited)    |
| Profit for the period attributable to owners of the Company . . . .                                                                                            | 3,632,626                   | 3,034,911      |
| Weighted average number of ordinary shares for the purpose of<br>calculating diluted earnings per share ( <i>thousand shares</i> )<br>( <i>Note</i> ). . . . . | 7,498,640                   | 7,329,227      |
| Diluted earnings per share ( <i>RMB per share</i> ). . . . .                                                                                                   | 0.48                        | 0.41           |

*Note:* During the period, for the convertible bond that issued by the Group, it is not included in the calculation of diluted earnings per share as it is anti-dilutive.

## 8 INVESTMENT IN ASSOCIATES

### The Group

|                                                                                                       | As at 31 March | As at 31 December |
|-------------------------------------------------------------------------------------------------------|----------------|-------------------|
|                                                                                                       | 2026           | 2025              |
|                                                                                                       | <i>RMB'000</i> | <i>RMB'000</i>    |
| At the beginning of the period. . . . .                                                               | 11,875,669     | 7,343,629         |
| Transfer from subsidiaries to associates . . . . .                                                    | —              | 117,765           |
| Additions . . . . .                                                                                   | 2,800          | 315,066           |
| Dividends. . . . .                                                                                    | —              | (149,849)         |
| Capital reduction and disposal. . . . .                                                               | —              | (23,896)          |
| Share of post-acquisition profits, other equity movements and<br>other comprehensive income . . . . . | 1,389,205      | 4,270,299         |
| Exchange difference . . . . .                                                                         | —              | 2,655             |
| At the end of the period . . . . .                                                                    | 13,267,674     | 11,875,669        |

### Aggregate information of associates that are not individually material:

|                                                                                                         | As at 31 March | As at 31 December |
|---------------------------------------------------------------------------------------------------------|----------------|-------------------|
|                                                                                                         | 2026           | 2025              |
|                                                                                                         | <i>RMB'000</i> | <i>RMB'000</i>    |
| Aggregate carrying amount of the Group's associates in the<br>Historical Financial Information. . . . . | 13,267,674     | 11,875,669        |

|                                                                               | As at 31 March | As at 31 December |
|-------------------------------------------------------------------------------|----------------|-------------------|
|                                                                               | 2026           | 2025              |
|                                                                               | <i>RMB'000</i> | <i>RMB'000</i>    |
| Share of post-acquisition profits and other comprehensive<br>income . . . . . | 1,390,115      | 4,238,567         |

**9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The Group classifies the following financial assets at FVTPL:

- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognize fair value gains or losses through OCI.
- derivative financial assets for which the USD/CNY forward exchange contracts.

|                                                     | As at 31 March<br><b>2026</b><br><i>RMB'000</i><br>(Unaudited) | As at 31 December<br><b>2025</b><br><i>RMB'000</i><br>(Audited) |
|-----------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Financial assets</b>                             |                                                                |                                                                 |
| <b>Non-current assets</b>                           |                                                                |                                                                 |
| Financial assets at FVTPL                           |                                                                |                                                                 |
| — Equity investments (a) . . . . .                  | 37,584                                                         | 37,637                                                          |
|                                                     | <u>37,584</u>                                                  | <u>37,637</u>                                                   |
| <b>Current assets</b>                               |                                                                |                                                                 |
| Financial assets at FVTPL                           |                                                                |                                                                 |
| — Wealth management products (“WMPs”) (b) . . . . . | 5,428,164                                                      | 2,770,200                                                       |
| — Derivatives financial assets. . . . .             | 105,372                                                        | 71,865                                                          |
|                                                     | <u>5,533,536</u>                                               | <u>2,842,065</u>                                                |

- (a) The equity investments are classified as non-current or current as the management expects to realize these financial assets after twelve months or within twelve months after each reporting period for the three months ended 31 March 2026 and 2025 respectively.
- (b) Wealth management products at FVTPL represents the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The products can be purchased or disposed at any date during the open days. The Group measures the investments at fair value using the quoted subscription or redemption prices published by the bank.

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

|                                                 | As at 31 March<br><b>2026</b><br><i>RMB'000</i><br>(Unaudited) | As at 31 December<br><b>2025</b><br><i>RMB'000</i><br>(Audited) |
|-------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Non-current assets</b>                       |                                                                |                                                                 |
| — Equity investments. . . . .                   | 288,472                                                        | 219,462                                                         |
|                                                 | <u>288,472</u>                                                 | <u>219,462</u>                                                  |
| <b>Current assets</b>                           |                                                                |                                                                 |
| — Notes receivables measured at FVTOCI. . . . . | 2,708,100                                                      | 1,263,240                                                       |
|                                                 | <u>2,708,100</u>                                               | <u>1,263,240</u>                                                |

**Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

- (i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- (ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

The carrying amounts of the financial assets and liabilities, which are measured at amortised cost, approximated their fair value as at 31 March 2026 and 31 December 2025.

The following table presents the Group's financial assets that are measured at fair value as at 31 March 2026 and 31 December 2025 respectively.

|                                                                     | Level 1 | Level 2   | Level 3   | Total     |
|---------------------------------------------------------------------|---------|-----------|-----------|-----------|
|                                                                     | RMB'000 | RMB'000   | RMB'000   | RMB'000   |
| <b>As at 31 March 2026</b>                                          |         |           |           |           |
| <b>Assets</b>                                                       |         |           |           |           |
| Financial assets at FVTPL                                           |         |           |           |           |
| — Equity investments . . . . .                                      | —       | —         | 37,584    | 37,584    |
| — Derivative financial assets ( <i>Note</i> ) . . .                 | —       | 105,372   | —         | 105,372   |
| — Wealth management products . . . . .                              | —       | —         | 5,428,164 | 5,428,164 |
| Derivative Financial Instruments under<br>hedge accounting. . . . . | —       | 64,421    | —         | 64,421    |
| Financial assets at FVTOCI                                          |         |           |           |           |
| — Equity investments . . . . .                                      | —       | —         | 288,472   | 288,472   |
| — Note receivables measured at<br>FVTOCI . . . . .                  | —       | —         | 2,708,100 | 2,708,100 |
| <b>Liabilities</b>                                                  |         |           |           |           |
| Financial liabilities at FVTPL                                      |         |           |           |           |
| — Derivative financial liabilities ( <i>Note</i> ). . . . .         | —       | (253,434) | —         | (253,434) |
| Derivative Financial Instruments under<br>hedge accounting. . . . . | —       | (15,024)  | —         | (15,024)  |
|                                                                     | —       | (98,665)  | 8,462,320 | 8,363,655 |

# APPENDIX IA

# UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

|                                                             | Level 1 | Level 2   | Level 3   | Total     |
|-------------------------------------------------------------|---------|-----------|-----------|-----------|
|                                                             | RMB'000 | RMB'000   | RMB'000   | RMB'000   |
| <b>As at 31 December 2025</b>                               |         |           |           |           |
| <b>Assets</b>                                               |         |           |           |           |
| Financial assets at FVTPL                                   |         |           |           |           |
| — Equity investments . . . . .                              | —       | —         | 37,637    | 37,637    |
| — Derivative financial assets ( <i>Note</i> ) . . .         | —       | 71,865    | —         | 71,865    |
| — Wealth management products . . . . .                      | —       | —         | 2,770,200 | 2,770,200 |
| Derivative Financial Instruments under                      |         |           |           |           |
| hedge accounting . . . . .                                  | —       | 102,964   | —         | 102,964   |
| Financial assets at FVTOCI                                  |         |           |           |           |
| — Equity investments . . . . .                              | 129,259 | —         | 90,203    | 219,462   |
| — Note receivables measured at                              |         |           |           |           |
| FVTOCI . . . . .                                            | —       | —         | 1,263,240 | 1,263,240 |
| <b>Liabilities</b>                                          |         |           |           |           |
| Financial liabilities at FVTPL                              |         |           |           |           |
| — Derivative financial liabilities ( <i>Note</i> ). . . . . | —       | (424,219) | —         | (424,219) |
| Derivative Financial Instruments under                      |         |           |           |           |
| hedge accounting . . . . .                                  | —       | (38,122)  | —         | (38,122)  |
|                                                             | 129,259 | (287,512) | 4,161,280 | 4,003,027 |

*Note:* Derivative financial assets and liabilities mainly refer to USD/CNY forward exchange contracts.

## 11 CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

|                                      | As at 31 March | As at 31 December |
|--------------------------------------|----------------|-------------------|
|                                      | 2026           | 2025              |
|                                      | RMB'000        | RMB'000           |
|                                      | (Unaudited)    | (Audited)         |
| Cash and cash equivalents . . . . .  | 67,320,137     | 59,340,613        |
| <b>Term deposits</b>                 |                |                   |
| — Short-term bank deposits . . . . . | 35,463,054     | 31,068,385        |
| — Long-term bank deposits . . . . .  | 14,687,734     | 12,515,287        |
|                                      | 50,150,788     | 43,583,672        |
| Restricted bank deposits . . . . .   | 3,005,858      | 1,818,564         |

## 12 SHORT TERM FINANCING BILLS

| The Group and Company                | As at 31 March | As at 31 December |
|--------------------------------------|----------------|-------------------|
|                                      | 2026           | 2025              |
|                                      | RMB'000        | RMB'000           |
|                                      | (Unaudited)    | (Audited)         |
| Short term financing bills . . . . . | 8,040,262      | 6,024,479         |

**APPENDIX IA**
**UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**
**2025**

| Name                                 | Face Value   | Date of Issuance | Ending balance   |
|--------------------------------------|--------------|------------------|------------------|
| Short term financing bills . . . . . | RMB100/units | 2025/5/12        | 1,010,916        |
| Short term financing bills . . . . . | RMB100/units | 2025/7/9         | 1,007,479        |
| Short term financing bills . . . . . | RMB100/units | 2025/10/27       | 1,003,099        |
| Short term financing bills . . . . . | RMB100/units | 2025/11/19       | 801,565          |
| Short term financing bills . . . . . | RMB100/units | 2025/12/12       | 1,201,081        |
| Short term financing bills . . . . . | RMB100/units | 2025/12/24       | 1,000,339        |
|                                      |              |                  | <u>6,024,479</u> |

**31 March 2026**

| Name                                 | Face Value   | Date of Issuance | Ending balance   |
|--------------------------------------|--------------|------------------|------------------|
| Short term financing bills . . . . . | RMB100/units | 2025/7/9         | 1,011,326        |
| Short term financing bills . . . . . | RMB100/units | 2025/10/27       | 1,007,389        |
| Short term financing bills . . . . . | RMB100/units | 2025/11/19       | 804,918          |
| Short term financing bills . . . . . | RMB100/units | 2025/12/12       | 1,206,200        |
| Short term financing bills . . . . . | RMB100/units | 2025/12/24       | 1,004,703        |
| Short term financing bills . . . . . | RMB100/units | 2026/1/28        | 1,002,820        |
| Short term financing bills . . . . . | RMB100/units | 2026/2/6         | 1,002,429        |
| Short term financing bills . . . . . | RMB100/units | 2026/3/20        | 1,000,477        |
|                                      |              |                  | <u>8,040,262</u> |

**13 BORROWINGS**

|                                                                             | As at 31 March<br>2026        | As at 31 December<br>2025   |
|-----------------------------------------------------------------------------|-------------------------------|-----------------------------|
|                                                                             | <i>RMB'000</i><br>(Unaudited) | <i>RMB'000</i><br>(Audited) |
| Secured and unguaranteed bank borrowings (a) . . . . .                      | 23,862,964                    | 21,181,463                  |
| Unsecured and guaranteed bank borrowings (b) . . . . .                      | 70,489                        | 181,391                     |
| Unsecured and unguaranteed bank borrowings (c) . . . . .                    | 91,707,693                    | 65,343,453                  |
|                                                                             | <u>115,641,146</u>            | <u>86,706,307</u>           |
| Less: amounts due within one year shown under current liabilities . . . . . | <u>(93,233,673)</u>           | <u>(70,264,324)</u>         |
| Amounts shown under non-current liabilities . . . . .                       | <u>22,407,473</u>             | <u>16,441,983</u>           |

The following table sets out the maturity profile of the total borrowings as of each of the reporting periods:

|                                        | As at 31 March         | As at 31 December    |
|----------------------------------------|------------------------|----------------------|
|                                        | 2026                   | 2025                 |
|                                        | RMB'000<br>(Unaudited) | RMB'000<br>(Audited) |
| On demand or within one year . . . . . | 93,233,673             | 70,264,324           |
| 1-2 years . . . . .                    | 13,167,926             | 6,329,100            |
| 2-5 years . . . . .                    | 8,389,675              | 9,238,381            |
| Over 5 years . . . . .                 | 849,872                | 874,502              |
|                                        | <u>115,641,146</u>     | <u>86,706,307</u>    |

**(a) Secured and unguaranteed bank borrowings**

- (i) The range of interest rates of secured and unguaranteed bank borrowings were 2.03% to 3.85% and 2.05%–7.28% for the year/period ended 31 December 2025 and 31 March 2026 respectively.

**(b) Unsecured and guaranteed bank borrowings**

- (i) Unsecured and guaranteed bank borrowings were mainly secured by property, plant and equipment, right of use asset and note receivables. Details of the Group's assets pledged for the Group's borrowings are disclosed in Note 24 to the Historical Financial Information.
- (ii) The range of interest rates of unsecured and guaranteed bank borrowings were 2.05% to 6.4% and 0.40%–3.10% for the year/period ended 31 December 2025 and 31 March 2026 respectively.

**(c) Unsecured and unguaranteed bank borrowings**

- (i) The range of interest rates of unsecured and unguaranteed bank borrowings were 1.95% to 6.18% and 1.45%–7.40% for the year/period ended 31 December 2025 and 31 March 2026 respectively.

- (d) The Group was in compliance with all financial covenants under its loan agreements and there is no breaches or waivers during track report period.

**14 SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared for the Company or any of its subsidiaries in respect of any period subsequent to 31 March 2026 and up to the date of this report.

## APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION

*The information set out in this Appendix II does not form part of the Accountants' Report from BDO Limited, Certified Public Accountants, the reporting accountants of the Company, as set out in Appendix I to this prospectus, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.*

### A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company (the "**Unaudited Pro Forma Financial Information**") prepared in accordance with paragraph 4.29 of the Listing Rules is for illustrate purpose only, and is set forth here to illustrate the effect of the Global Offering on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders 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 the equity holders of the Company as of 31 December 2025 or at any future dates following the Global Offering. It is prepared based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 as set out in the Accountants' Report on historical financial information of the Group, the text of which is set out in Appendix I to this Prospectus, and adjusted as described below.

|                              | Audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 | Estimated net proceeds from the Global Offering | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 per Share |                |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|                              | RMB'000<br>Note 1                                                                                                              | RMB'000<br>Note 2                               | RMB'000                                                                                                                                             | RMB<br>Note 3                                                                                                                                                 | HK\$<br>Note 4 |
| Based on the Offer Price     |                                                                                                                                |                                                 |                                                                                                                                                     |                                                                                                                                                               |                |
| of HK\$63.28 per H Share . . | 81,790,769                                                                                                                     | 20,903,591                                      | 102,694,360                                                                                                                                         | 13.39                                                                                                                                                         | 15.40          |

*Notes:*

1. The audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 is extracted from the Accountants' Report set out in Appendix I to this Prospectus, which is based on the audited consolidated net assets of the Group attributable to the equity holders of the Company as of 31 December 2025 of approximately RMB84,921,104,000 with adjustments for the intangible assets attributable to the equity holders of the Company and goodwill as of 31 December 2025 of approximately RMB891,162,000 and RMB2,239,173,000, respectively.
2. The estimated net proceeds from the Global Offering are based on 383,472,800 Shares at the Offer Price of HK\$63.28 (equivalent to approximately RMB55.02) per Share, after deduction of the estimated underwriting fees and other related listing expenditure payable by the Company (excluding the listing expenses that have been charged to profit or loss during the Track Record Period), taking into no account of shares which may be issued upon the exercise of the convertible bonds, the over-allotment option and upon the vesting of share options that have been or may be granted from time to time under the share option plans.
3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share is calculated on the total of 7,667,915,334 shares (representing 7,284,442,534 shares in issue as of 31 December 2025, adding 383,472,800 offer shares under the Global Offering), assuming that the Global Offering had been completed on 31 December 2025 taking into no account of shares which may be issued upon the exercise of the convertible bonds, the over-allotment option and upon the vesting of share options that have been or may be granted from time to time under the share option plans.



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## APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION

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4. For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 per Share, the amounts stated in Renminbi are converted from or into Hong Kong dollars at an exchange rate of HK\$1 to RMB0.86948. No representation is made that RMB has been, could have been or may be converted to HK\$, or vice versa, at that rate.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2025 to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company has not taken into account the dividend declared by the directors in April 2026 of RMB1,018,652,000. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share would have been HK\$15.25 per Share based on the offer price of HK\$63.28, assuming the dividend distribution were completed on 31 December 2025.

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## APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION

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*The following is the text of a report received from BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation 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 Luxshare Precision Industry Co., Limited.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Luxshare Precision Industry Co., Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as of 31 December 2025 and related notes as set out on pages II-1 to II-2 of Appendix II of the Company’s prospectus dated 30 June 2026 (the “**Prospectus**”) in connection with the proposed initial public offering of the shares of the Company (the “**Global Offering**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on II-1 to II-2 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Global Offering on the Group’s consolidated financial position as of 31 December 2025 as if the Global Offering had taken place at 31 December 2025. As part of this process, information about the Group’s consolidated financial position has been extracted by the directors of the Company from the Group’s historical financial information for the year ended 31 December 2025, on which an accountants’ report set out in Appendix I of the Prospectus has been published.

#### **Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

#### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Global Offering at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**BDO Limited**

*Certified Public Accountants*

CHAN WING FAI

Practising Certificate no. P05443

Hong Kong

30 June 2026

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

### **SHARES AND REGISTERED CAPITAL**

The Shares of the Company shall be issued in an open, fair and equal manner. Each Share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the Shares shall be subscribed for at the same price by any subscriber.

### **INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES**

#### **Increase and Decrease of Shares**

According to the operation and development needs of the Company, subject to the laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed, the Company may increase the Share capital by the following methods upon approval of resolutions at the Shareholders' meetings:

- (i) issuing Shares to unspecified parties;
- (ii) issuing Shares to specific targets;
- (iii) distribution of bonus Shares to existing Shareholders;
- (iv) converting the reserve funds into Share capital;
- (v) converting issued convertible corporate bonds into Shares (the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as changes in the Company's Share capital resulting from the conversion, shall be handled in accordance with the terms set forth in the Company's convertible corporate bond issuance documents);
- (vi) other methods approved by the laws, administrative regulations and other securities regulatory bodies of the places where the Shares of the Company are listed.

The Company may decrease the registered Share capital and shall comply with the procedures stipulated in the Company Law of the PRC, as well as other regulations and the Articles of Association.

#### **Repurchase of Shares**

The Company shall not repurchase its own Shares, unless otherwise under the following circumstances:

- (i) to reduce the registered Share capital of the Company;
- (ii) to merge with other companies holding Shares in the Company;
- (iii) to use the Shares for an employee stock ownership plan or equity incentive plan;
- (iv) to purchase the Shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' meeting upon their request;
- (v) to use the Shares for conversion of convertible corporate bonds issued by the Company;

- (vi) to safeguard corporate value and Shareholders' interests as the Company deems necessary;
- (vii) other circumstances permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Company's Shares are listed.

If the Share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted by way of open centralized trading, or other methods permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Company's Shares are listed.

The Company shall repurchase its own Shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own Shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the securities regulatory rules of the place where the Company's Shares are listed.

After the Company repurchases its own Shares in accordance with the above provisions, it shall cancel the repurchased Shares within ten days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased Shares within six months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased Shares within three years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of Shares held by the Company shall not exceed 10% of the total number of Shares issued by the Company.

#### **Transfer of Shares**

Shares of the Company shall be transferred in accordance with the laws. All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board of Directors may designate from time to time.

The Directors and senior management of the Company shall report to the Company the Shares they hold in the company and any changes in such Shares. During their term of office as determined at the time of their appointment, the Shares transferrable by them each year shall not exceed 25% of the total number of Shares of the same category held by them in the Company, except for changes in Shares resulting from judicial enforcement, inheritance, bequest, or division of property in accordance with the law. If the number of Shares held by them does not exceed 1,000 Shares, such Shares be transferred in full at one time, without being subject to the aforementioned transfer ratio limitation. The Shares in the Company held by them shall not be transferred within one year from the date on which the Company's Shares are listed for trading. The Shares in the Company held by them shall not be transferred within half a year from their departure from the Company. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.

Any gains from sale of Company's Shares or other securities with the equity nature by the Directors and senior management or Shareholders holding 5% or more of the Company's Shares within six months after their purchase of the same, and any gains from the purchase of the Shares or other securities with the equity nature by any of the aforesaid parties within six months after sale of the same shall belong to the Company, and the Board of Directors of the Company shall recover such profits.

However, this provision does not apply to securities companies that hold more than 5% of the Company's Shares due to the purchase of remaining Shares after underwriting, or other circumstances stipulated by the CSRC. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail. Shares or other securities with the nature of equity held by Directors, senior management members and individual Shareholders as mentioned in this paragraph include Shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the preceding paragraph, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth in the preceding paragraph, the responsible Directors shall bear joint and several liability in accordance with law.

## **SHAREHOLDERS AND SHAREHOLDERS' MEETINGS**

### **Shareholders**

The Company shall establish a register of Shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of Shareholders is sufficient evidence to prove that the 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.

The original register of Shareholders of H Shares is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed as well as section 632 of the Companies Ordinance. Any person who is a Shareholder registered on the register of Shareholders of H Shares or who requests his name be entered in the register of Shareholders of H Shares may, if his Share certificate relating to the Shares is lost, apply to the Company for a replacement Share certificate in respect of such Shares. Application by a holder of overseas listed Shares, who has lost his Share certificate, for a replacement Share certificate may be dealt with in accordance with the law of the place where the original register of Shareholders of overseas listed Shares is maintained, the rules of the stock exchange or other relevant regulations.

The rights of our Shareholders are as follows:

- (i) to receive dividends and other forms of interest distribution according to the number of Shares held;
- (ii) to request, convene, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' meeting, to speak at the Shareholders' meeting and exercise corresponding voting rights in accordance with laws, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed or applicable laws and regulations to abstain from voting on specific matters;
- (iii) to supervise operational activities of the Company, provide suggestions or submit queries;
- (iv) to transfer, grant and pledge the Company's Shares held according to the provisions of the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association;



- (v) to read and copy the Articles of Association, the register of Shareholders, minutes of the Shareholders' meeting, resolutions of the Board of Directors and financial and accounting reports; qualified Shareholders may inspect the Company's accounting books and accounting vouchers;
- (vi) to participate in the distribution of the remaining assets of the Company according to the proportion of Shares held upon the Company's termination or liquidation;
- (vii) to request the Company to acquire the Shares from Shareholders voting against the resolutions adopted at the Shareholders' meeting concerning the merger and division of the Company;
- (viii) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

In the event that any resolution of the Shareholders' meeting or resolution of the Board of Directors violates laws or administrative regulations, Shareholders are entitled to request the People's Court to determine the invalidity of such resolution. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, Shareholders are entitled to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

The obligations of Shareholders are as follows:

- (i) to abide by laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association;
- (ii) to pay the Share price according to the Shares they subscribe for and the method of subscription;
- (iii) not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;
- (v) other obligations prescribed in laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

### **Controlling Shareholders and Actual Controllers**

The Company's controlling Shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and securities regulatory rules of the places where the Shares of the Company are listed, and shall safeguard the interests of the Company.

The Company's controlling Shareholders and actual controllers shall comply with the following provisions:

- (i) to exercise Shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other Shareholders;
- (ii) to strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;
- (iii) to strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;
- (iv) not to appropriate the Company's funds in any way;
- (v) not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;
- (vii) not to damage the legitimate rights and interests of the Company and other Shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;
- (viii) to ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;
- (ix) other provisions stipulated by laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association.

If the Company's controlling Shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's controlling Shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or Shareholders, they shall bear joint and several liability with such Directors or senior management members.

#### **General Provisions on Shareholders' meeting**

The Shareholders' meeting is the authority of the Company, which exercises its powers in accordance with applicable laws and regulations:

- (i) to elect or remove the Directors and to decide on matters relating to the remuneration of Directors;
- (ii) to examine and approve reports of the Board of Directors;
- (iii) to examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

- (iv) to decide on any increase or decrease of the Company's registered capital;
- (v) to decide on the issue of corporate bonds by the Company;
- (vi) to decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) resolution on appointment and dismissal of an accounting firm undertaking the Company's audit business and its remuneration;
- (ix) to examine and approve the provision of guarantees stipulated in Article 48 of the Articles of Association;
- (x) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (xi) to examine and approve matters relating to changes in the use of proceeds;
- (xii) to examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) to examine and approve the repurchase of the Company's Shares in accordance with the circumstances stipulated in subparagraphs (1) and (2) of paragraph 1 of Article 25 of the Articles of Association;
- (xiv) to examine the annual remuneration plans for Directors and senior management;
- (xv) to examine and approve other matters which shall be decided by the Shareholders' meeting as required by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of bonds by the Company. Unless otherwise provided for by laws, administrative regulations or the Articles of Association, the aforesaid powers of the Shareholders' meeting shall not be exercised by the Board of Directors or any other institution or individual on its behalf by way of authorization.

The following external guarantee behaviors of the Company shall be submitted to the Shareholders' meeting for review and approval:

- (i) any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;
- (ii) any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the latest audited financial statements;
- (iii) any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;
- (iv) any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;
- (v) any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

- (vi) any guarantee provided to Shareholders, actual controllers, and their related parties;
- (vii) other guarantees required by the relevant laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters mentioned in item (iv) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the Shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee provided to Shareholders, actual controllers, and their related parties, such Shareholders or the Shareholders controlled by such actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other Shareholders present at the meeting.

The Shareholders' meetings are divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary Shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) the number of Directors is less than the number prescribed in the Company Law of the PRC or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) the uncovered losses of the Company reach one-third of its total Share capital;
- (iii) the Shareholders with 10% or more Shares of the Company separately or jointly request it;
- (iv) the Board of Directors considers it necessary;
- (v) the Audit Committee proposes to convene it;
- (vi) other circumstances stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

In the event that an extraordinary general meeting is convened at the request of securities regulatory rules of the places where the Shares of the Company are listed, the actual convening date of the extraordinary general meeting may be adjusted in accordance with the clearance progress of the stock exchange where the Shares of the Company are listed.

### **Convening of Shareholders' meetings**

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of a majority of all independent Directors, an independent Director has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the Shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the Company's Shares have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receipt, 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 an extraordinary Shareholders' meeting and shall submit such request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after receiving the request. 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 a 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. In such cases, Shareholders who individually or collectively hold more than 10% of the company's Shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

For Shareholders' meetings convened by the Audit Committee or Shareholders on their own, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of Shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or Shareholders on their own shall be borne by the Company.

### **Proposals and Notice of Shareholders' meeting**

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, as well as Shareholders who individually or collectively hold more than 1% of the Company's Shares, 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 a temporary proposal in writing to the convener ten days prior to the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within two days after receiving the proposal, announcing the content of the temporary proposal. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association, or if it is not within the scope of the Shareholders' meeting's authority.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The Shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the Shareholders' meeting or that do not comply with the provisions of the Articles of Association.

The convener shall notify each Shareholder by announcement at least 21 days before the annual Shareholders' meeting, and at least 15 days before the extraordinary Shareholders' meeting. When calculating the start of the commencement period, the Company should not include the day the meeting is held. Where laws, regulations, securities regulatory rules of the places where the Shares of the Company are listed provide otherwise, such rules shall prevail.

The notice of a Shareholders' meeting includes the following:

- (i) the time, place and duration of the meeting;
- (ii) the matters and proposals to be discussed at the meeting;
- (iii) a clear statement that all Shareholders have the right to attend the meeting of Shareholders, and may entrust a proxy in writing to attend the meeting and vote and such a proxy does not need to be a Shareholder of the Company;
- (iv) the record date of the Shareholders entitled to attend the meeting;
- (v) name and telephone number of the permanent contact person for conference affairs;
- (vi) timing and procedures of voting by Internet or other methods;
- (vii) other matters that need to be specified.

After the Shareholders' meeting notice has been issued, the Shareholders' meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancelation, the convener shall announce and explain the reasons at least two trading days before the originally scheduled date. If securities regulatory rules of the places where the Shares of the Company are listed have special provisions regarding the procedures for postponing or canceling a Shareholders' meeting, these provisions shall prevail, provided that they do not violate the regulatory requirements of the domestic rules.

### **Holding of Shareholders' meeting**

All Shareholders registered on the record date for equity registration or their proxies shall be entitled to attend the Shareholders' meeting. They shall be entitled to exercise voting rights at the meeting in accordance with relevant laws, regulations, securities regulatory rules of the places where

the Shares of the Company are listed and the Articles of Association, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed to abstain from voting on specific matters.

Shareholders may attend the Shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

Individual Shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof that can indicate their identity, as well as their stock account card. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the Shareholder.

Corporate Shareholders shall be represented by its legal representative or proxies authorized by the legal representative (or by the board of directors or other decision-making body of the corporate Shareholder). Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written power of attorney legally issued by the legal representative of the corporate Shareholder (or by the board of directors or other decision-making body of the corporate Shareholder), except for Shareholder who is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or securities regulatory rules of the places where the Shares of the Company are listed or its proxy.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

- (i) the name or title of the principal and the category and quantity of Shares held;
- (ii) the name or title of the proxy;
- (iii) specific instructions of the Shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;
- (iv) the date of issuance and validity period of the power of attorney;
- (v) the signature (or seal) of the principal. If the principal is a corporate Shareholder, the corporate seal shall be affixed; if the overseas corporate Shareholder does not have a seal, it may be signed by a legally authorized person.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the Shareholder is a recognized clearing house (or its proxy), such Shareholder may authorize one or more persons it deems appropriate to act as its representative at any Shareholders' meeting or creditors' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and category of Shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the recognized clearing house. The authorized person may exercise the rights of the recognized clearing house (or its proxy) (without presenting Shareholding certificates, notarized authorization, and/or further evidence of formal authorization) and shall enjoy the same statutory rights as other Shareholders, including the right to speak and vote, as if the person were an individual Shareholder of the Company.

If the Shareholders' meeting requires Directors and senior management to attend the meeting, the Directors and senior management shall attend and accept Shareholders' inquiries.



The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to perform his duties, one Director shall be elected by a majority of the Directors to preside over the meeting.

If the Shareholders' meeting is convened by the Audit Committee, it shall be presided over by the chairman of the Audit Committee. If the chairman of the Audit Committee is unable or fails to perform his duties, one Audit Committee member shall be elected by a majority of the Audit Committee, to preside over the meeting. If the Shareholders' meeting is convened by the Shareholders themselves, a representative shall be elected by the conveners to preside over the meeting. If the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the Shareholders present and entitled to vote, the Shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

#### **Voting at the Shareholders' meeting**

The resolutions of the Shareholders' meeting divided into ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' meeting shall be passed by more than half of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies). A special resolution at a Shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies).

The resolution of the Shareholders' meeting includes ordinary resolution and special resolution. The following matters shall be approved by the Shareholders' meeting through ordinary resolutions:

- (i) work reports of the Board of Directors;
- (ii) plans for the distribution of profits and for recovery of losses proposed by the Board of Directors;
- (iii) appointment or dismissal of the members of the Board of Directors, and their remuneration and payment methods;
- (iv) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders' meeting:

- (i) the increase or decrease of the registered capital of the Company;
- (ii) the division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) any amendment to the Articles of Association;
- (iv) purchase or sale of significant assets within a year which exceeds 30% of the Company's audited total assets for the latest period;
- (v) Share option incentive plan;
- (vi) other matters as required by the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association, and matters which have a significant impact on the Company if to be passed by an ordinary resolution of a Shareholders' meeting and which are deemed necessary to be passed as a special resolution.

Shareholders (including Shareholder proxies) shall exercise their voting rights based on the number of voting Shares they represent, with each Share having one vote, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed or applicable laws and regulations to abstain from voting on specific matters.

When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

The Shares held by the Company have no voting rights, and such Shares shall not be counted in the total number of voting Shares present at the Shareholders' meeting.

If a Shareholder purchases voting Shares of the Company in violation of the paragraphs 1 and 2 of Article 63 of the Securities Law of the PRC, the voting rights of such Shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of voting Shares present at the general meeting.

According to applicable laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed, if any Shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such Shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting Shares.

The Board of Directors, independent Directors, Shareholders holding more than 1% of the voting Shares, or investor protection institutions established in accordance with laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed may publicly solicit Shareholders' voting rights. The solicitation of Shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit Shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum Shareholding ratio restriction on the solicitation of voting rights.

## **DIRECTORS AND BOARD OF DIRECTORS**

### **Directors**

The Directors of the Company may include executive Directors, non-executive Directors, and independent Directors (the term "independent Director" has the same meaning as "independent non-executive Director" in the Hong Kong Listing Rules). Non-executive Directors refer to Directors who do not hold management positions in the Company. The appointment conditions, nomination and election procedures, and powers of independent Directors shall be implemented in accordance with the relevant provisions of the laws, the CSRC, and the stock exchange where the Shares of the Company are listed.

Directors shall possess the qualifications required by laws, administrative regulations, departmental rules, this Articles of Association, and securities regulatory rules of the places where the Shares of the Company are listed.

Directors not appointed as employee representative Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the reappointment of Directors, such rules shall prevail.

The employee representative Director shall be elected or removed by the employees of the Company through the democratic election at the employee representatives' meeting. The employee representatives' meeting may also remove the employee representative Director from office before the expiration of his term. The term of office of the employee representative Director shall be the same as that of the current Board of Directors, and he may be re-elected for consecutive terms upon expiration of the term.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association until the newly elected Directors assume office.

Subject to compliance with securities regulatory rules of the places where the Shares of the Company are listed, any person appointed by the Board of Directors to fill a temporary vacancy or increase the number of Directors on the Board of Directors shall serve only until the first annual Shareholders' meeting after their appointment and shall be eligible for re-election at that time.

A Director may also hold the position of general manager or other senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representative Directors, shall not exceed half of the total number of Directors of the Company.

### **Board of Directors**

The Board of Directors consists of eight Directors, including three independent Directors, one employee representative Director, one Chairman and one Vice Chairman. The Chairman and Vice Chairman shall be elected by more than one half of all Directors.

The Board of Directors exercises the following powers:

- (i) to convene the general Shareholders' meeting and report on work to the Shareholder's meeting;
- (ii) to implement the resolutions of the Shareholder's meeting;
- (iii) to determine the business and investment plans of the Company;
- (iv) to formulate plans for the distribution of profits and for recovery of losses of Company;
- (v) to formulate the plans for increasing or decreasing the Company's registered capital, the issuance of corporate bonds or other securities, as well as the listing of the Shares of the Company;
- (vi) to formulate plans for major acquisitions of the Company, the repurchase of Shares of the Company in the case of the circumstances stipulated in items (1) and (2) of paragraph 1 of Article 25 of the Articles of Association, corporate merger, separation, dissolution and changing the form of the Company;
- (vii) to determine the repurchase of Shares of the Company in case of the circumstances stipulated in items (3), (5) and (6) of paragraph 1 of Article 25 of the Articles of Association;

- (viii) to determine such matters as the Company's external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external donation within the scope authorized by the Shareholders' meeting;
- (ix) to establish and improve the Company's management system on proceeds and ensure the effective implementation of such system;
- (x) to decide on the setup of the Company's internal management organization;
- (xi) to decide on matters such as appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior management and on their compensation and incentives/disincentives; to decide on matters such as appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management and on their compensation and incentives/disincentives based on the nominations by the general manager;
- (xii) to set the basic management systems of the Company;
- (xiii) to make the modification plan to the Articles of Association;
- (xiv) to manage the disclosure of company information;
- (xv) to propose to the Shareholders' meeting to hire or replace the accounting firm auditing for the company;
- (xvi) to establish special committees such as the Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee in accordance with the resolutions of the Shareholders' meeting, and formulate corresponding working rules for these committees;
- (xvii) to attend to reports on the performance of duties, performance evaluation results, and compensation of Directors and general managers;
- (xviii) to attend to the work report of the general manager and review the work of the general manager;
- (xix) with the authorization of the Shareholders' meeting, to decide on the issuance of Shares not exceeding 50% of the Company's issued Shares within three years (however, if the issuance involves contribution of non-monetary property valued as capital, it shall be subject to the resolution of the Shareholders' meeting);
- (xx) other powers and duties authorized by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, the Articles of Association or the Shareholders' meeting.

Where the Board of Directors decides to issue Shares in accordance with the provisions of item (xix) of the preceding paragraph, resulting in changes to the Company's registered capital and the number of issued Shares, the modification of the relevant records in the Articles of Association shall not require further approval by the Shareholders' meeting, provided that such resolution of the Board of Directors shall be passed by more than two-thirds of all Directors.

Meetings of the Board of Directors shall be attended by more than one-half of the Directors before the Board of Directors meeting can be convened. Resolutions of the Board of Directors must be passed by a majority of all Directors. Where the Articles of Association, laws, regulations, or securities regulatory rules of the places where the Shares of the Company are listed provide otherwise, such rules shall prevail.

Voting on resolutions of the Board of Directors shall be conducted on a one person, one vote basis.

### **Independent Directors**

The Company establishes a mechanism for special meeting attended solely by independent Directors. Matters such as related party transactions should be pre-approved by the special meeting of independent Directors before being submitted to the Board of Directors for consideration.

The Company shall hold special meetings of independent Directors. Matters listed in items (1) to (3) of the paragraph 1 of Article 131 and Article 132 of the Articles of Association shall be considered at a special meeting of independent Directors. The special meetings of independent Directors may study and discuss other matters of the Company as needed.

The special meetings of independent Directors shall be convened and presided over by an independent Director jointly elected by a majority of the independent Directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent Directors may convene and elect a representative to preside over the meeting on their own.

### **Special Committees under the Board of Directors**

The Board of Directors shall establish an Audit Committee to exercise the powers of the board of supervisors stipulated by the Company Law of the PRC. The members of an Audit Committee shall comprise three Directors who are not senior executives of the Company, the majority of which should be independent Directors, and an accounting professional among the independent Directors shall act as the convener.

The Board of Directors shall establish special committees such as Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, etc.

The special committees shall perform duties pursuant to the Articles of Association and the authorization of the Board of Directors, and submit proposals to the Board of Directors for consideration and decision.

### **Senior Management Members**

The Company shall have one general manager, several deputy general managers (the number of which shall be decided by the Board of Directors), and one chief financial officer, all of whom shall be appointed or dismissed by the Board of Directors. The general manager, deputy general managers, chief financial officer, secretary to the Board of Directors are considered senior management of the Company.

The general manager of the Company is responsible to the Board of Directors and exercises the following powers:

- (i) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;
- (ii) to organize and implement the Company's annual business plan and investment proposals;

- (iii) to draft plans for the establishment of the Company's internal management organizations;
- (iv) to draft the basic management system of the Company;
- (v) to formulate specific rules and regulations for the Company;
- (vi) to propose to the Board of Directors on the appointment or dismissal of deputy general manager and chief financial officer;
- (vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) other functions and powers authorized by securities regulatory rules of the places where the Shares of the Company are listed, the Articles of Association or the Board of Directors.

The general manager shall attend the meetings of the Board of Directors.

### **FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT**

#### **Financial Accounting System**

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and securities regulatory rules of the places where the Shares of the Company are listed.

The Company shall submit and disclose its annual reports to the local office of the CSRC and the stock exchange where the Shares of the Company are listed within four months from the end of each fiscal year, and its interim reports to the local office of the CSRC and the stock exchange where the Shares of the Company are listed within two months from the end of the first half of each fiscal year.

The above annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and securities regulatory rules of the places where the Shares of the Company are listed.

The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph. Subject to a resolution of the Shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, the remaining after-tax profits shall be distributed according to the proportion of Shares held by Shareholders, unless otherwise stipulated in the Articles of Association.

If the Shareholders' meeting violates the provisions of the Company Law of the PRC, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company. The Shareholders, responsible Directors and senior management members shall be liable for compensation if the Company suffers losses as a result thereof.

No profit shall be distributed in respect of the Shares of the Company which are held by the Company.

The Company shall appoint one or more collection agents for H-Share Shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H-Share Shareholders the dividends distributed and other funds payable by the Company in respect of the H-Share Shareholders, and hold such monies in their custody pending payment to the H-Share Shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. When using reserve fund to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When the statutory reserve funds are converted into capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

#### **Internal Audit**

The Company has implemented an internal audit system which explicitly defines the leadership structure, authorities and responsibilities, staffing requirements, fund guarantee, application of audit results, and accountability mechanism in respect of the internal audit activities, etc.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors and publicly disclosed.

#### **Appointment of an Accounting Firm**

The Company shall appoint such accounting firm which has complied with the Securities Law of the PRC, and securities regulatory rules of the places where the Shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be re-appointed. The appointment of accounting firm by the Company shall be subject to the approval of Shareholders' meetings. The Board of Directors shall not appoint accounting firm before the approval of the Shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The audit fees of the accounting firm or the method of determining audit fee shall be determined by the Shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 15 days in advance; when the Shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the Shareholders' meeting whether the Company has committed any improper act.



**MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION****Merger, Division, Capital Increase and Capital Reduction**

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When reducing its registered capital, the Company shall reduce the amount of capital contribution or Shares held by the Shareholders in proportion to their respective Shareholdings, unless otherwise provided for by law or the Articles of Association.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; if the Company is dissolved, it shall go through the deregistration of the procedures company in accordance with the law; if a new company is established, the company establishment registration shall be completed in accordance with the law. If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

**Dissolution and Liquidation**

The Company shall be dissolved for the following reasons:

- (i) expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;
- (ii) the Shareholders' meeting adopts a resolution to dissolve the Company;
- (iii) the Company needs to be dissolved for the purpose of merger or division;
- (iv) the business license of the Company is revoked, or the Company is ordered to close or be eliminated according to applicable laws;
- (v) where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the Shareholders, and the difficulties may not be overcome through other means, Shareholders who hold more than 10% of all voting rights of the Company's Shareholders may request the people's court to dissolve the Company.

Where any cause for dissolution as provided in the preceding paragraph occurs, the Company shall publicize the cause for dissolution within ten days on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統).

If the Company is in the situation as described in items (i) and (ii) above and has not yet distributed its properties to Shareholders, it can continue to exist by amending the Articles of Association or through a resolution of the Shareholders' meeting. The amendment of the Articles of Association or the resolution of the Shareholders' meeting as per this paragraph must be passed by more than two-thirds of the voting rights held by the Shareholders attending the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors or other persons decided by the Shareholders' meeting. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and announce it in the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the company's debts. The remaining assets shall be distributed among the Shareholders in proportion to their Shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the Shareholders before the aforementioned provisions have been complied with.

After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the court.

Upon the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and file it with the company registration authority to apply for the cancelation of the company registration and announce the termination of the Company.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

### **AMENDMENT TO THE ARTICLES OF ASSOCIATION**

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after the Company Law of the PRC or relevant laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed are amended, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the Shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the Shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws, regulations or securities regulatory rules of the places where the Shares of the Company are listed shall be announced in accordance with provisions thereof.

**A. FURTHER INFORMATION ABOUT OUR GROUP****1. Establishment of Our Company**

Our Company was established in the PRC as a limited liability company on May 24, 2004 and was converted into a joint stock company with limited liability under the Company Law with effect from February 26, 2009. Our Company completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002475) in September 2010.

Our Company has established a principal place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on August 29, 2025. Ms. Leung Wai Yan (梁慧欣) has 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.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix III—Summary of the Articles of Association” to this prospectus.

**2. Changes in the Share Capital of Our Company**

As considered and approved by the 11th meeting of the sixth session of the Board on April 25, 2025, due to the independent exercise of the options by the grantees under the Share Option Incentive Plans and the conversion of the Convertible Bonds during the period from May 31, 2024 to April 24, 2025, our Company’s total share capital increased from 7,179,340,589 to 7,247,395,805.

As of the Latest Practicable Date, due to the independent exercise of the options by the grantees under the Share Option Incentive Plans and the conversion of the Convertible Bonds, our Company’s total share capital increased from 7,247,395,805 to 7,318,257,824.

Save as disclosed above, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

**3. Further Information about Our Major Subsidiaries**

We have applied to the Stock Exchange for, and the Stock Exchange has granted us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within two years immediately preceding the date of this prospectus. For details, see “Waivers and Exemptions—Particulars of Information of our Subsidiaries” in this prospectus.

There has been no alteration in the registered capital of our Major Subsidiaries within the two years preceding the date of this prospectus.

**4. Resolutions of our Shareholders**

At the extraordinary general meeting of our Company held on August 8, 2025, among other things, the following resolutions were passed by our Shareholders:

- (i) the issuance of H Shares with a nominal value of RMB1.00 each by our Company and such H Shares be listed on the Stock Exchange;

- (ii) the number of H Shares to be issued pursuant to the Global Offering before the exercise of the Over-allotment Option shall not exceed 5% of the enlarged share capital of our Company upon completion of the Global Offering, and the Over-allotment Option shall not exceed 15% of the above number of H Shares to be issued;
- (iii) subject to the completion of the Global Offering, the Articles of Association to become effective on the Listing Date shall be conditionally adopted, and the Board and its authorized person have been authorized to amend the Articles of Association in accordance with any comments from the relevant regulatory authorities; and
- (iv) to authorize the Board and its authorized person to handle the matters relating to, among others, the Global Offering, the issuance and listing of the H Shares.

## **B. FURTHER INFORMATION ABOUT OUR BUSINESS**

### **1. Summary of material contract**

We have entered into the following contract (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this prospectus that is or may be material:

- (a) the Hong Kong Underwriting Agreement;
- (b) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Taibai Investments Pte. Ltd., True Light Investments H Pte. Ltd., CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Taibai Investments Pte. Ltd. and True Light Investments H Pte. Ltd. agreed to subscribe for Offer Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$160,000,000 and US\$40,000,000, respectively;
- (c) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, HHLR Advisors, Ltd., CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which HHLR Advisors, Ltd. agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$215,000,000;
- (d) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, GIC Private Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which GIC Private Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$150,000,000;
- (e) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, CPE Neem Investment Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which CPE Neem Investment Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$75,000,000;
- (f) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Greenwoods Asset Management Hong Kong Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong

Securities Limited and CLSA Limited, pursuant to which Greenwoods Asset Management Hong Kong Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$70,000,000;

- (g) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Foresight Global Superior Choice SPC—Global Superior Choice Fund 1 SP, Foresight Global Superior Choice SPC—Vision Fund 1 SP, Foresight Global Superior Choice SPC—Horizon Fund 1 SP, Foresight Global Superior Choice SPC—Horizon Next Fund SP and Foresight International Series—Foresight China Equity Fund, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Foresight Global Superior Choice SPC—Global Superior Choice Fund 1 SP, Foresight Global Superior Choice SPC—Vision Fund 1 SP, Foresight Global Superior Choice SPC—Horizon Fund 1 SP, Foresight Global Superior Choice SPC—Horizon Next Fund SP and Foresight International Series—Foresight China Equity Fund agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$70,000,000;
- (h) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Abu Dhabi Investment Authority, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Abu Dhabi Investment Authority agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$45,000,000;
- (i) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, UBS Asset Management (Singapore) Ltd. (in its capacity as the delegate of the investment manager for and on behalf of the investors), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which UBS Asset Management (Singapore) Ltd. (in its capacity as the delegate of the investment manager for and on behalf of the investors) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$45,000,000;
- (j) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Oaktree Capital Management, L.P. (as the investment manager for and on behalf of the investors), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Oaktree Capital Management, L.P. (as the investment manager for and on behalf of the investors) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$45,000,000;
- (k) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Eastspring Investments (Singapore) Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Eastspring Investments (Singapore) Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$37,500,000;
- (l) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Eastspring Investments (Hong Kong) Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Eastspring Investments (Hong Kong) Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$7,500,000;



- (m) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, First Sentier Investors (Hong Kong) Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which First Sentier Investors (Hong Kong) Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$43,886,806.76;
- (n) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, First Sentier Investors (Singapore), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which First Sentier Investors (Singapore) agreed to subscribe for Offer Shares at the Offer Price subscribed for in the aggregate amount of the Hong Kong dollar equivalent of US\$1,113,193.24;
- (o) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, GF Fund Management Co., Ltd. (广发基金管理有限公司), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which GF Fund Management Co., Ltd. (广发基金管理有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$25,000,000;
- (p) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, GF International Investment Management Limited (广发国际资产管理有限公司), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which GF International Investment Management Limited (广发国际资产管理有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$20,000,000;
- (q) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, China Universal Asset Management (Hong Kong) Company Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which China Universal Asset Management (Hong Kong) Company Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$45,000,000;
- (r) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Bosera Asset Management (International) Co., Limited (博时基金(国际)有限公司), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Bosera Asset Management (International) Co., Limited (博时基金(国际)有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$45,000,000;
- (s) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, FIL Investment Management (Hong Kong) Limited (富達基金(香港)有限公司) (as agent and fiduciary for the funds and accounts), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which FIL Investment Management (Hong Kong) Limited (富達基金(香港)有限公司) (as agent and fiduciary for the funds and accounts) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000;



- (t) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Value Partners Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Value Partners Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3,900,000;
- (u) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Value Partners Hong Kong Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Value Partners Hong Kong Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$26,100,000;
- (v) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Taikang Life Insurance Co., Ltd, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Taikang Life Insurance Co., Ltd agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000;
- (w) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, HUANG RIVER INVESTMENT LIMITED, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which HUANG RIVER INVESTMENT LIMITED agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$24,000,000;
- (x) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Prosper High Holding Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Prosper High Holding Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$6,000,000;
- (y) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Mirae Asset Securities Co., Ltd., CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Mirae Asset Securities Co., Ltd. agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (z) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, MIRAE ASSET GLOBAL INVESTMENTS CO., LTD., CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which MIRAE ASSET GLOBAL INVESTMENTS CO., LTD. agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$25,000,000;
- (aa) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Perseverance Asset Management International (Singapore) Pte. Ltd. (acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Perseverance Asset Management International (Singapore) Pte.

Ltd. (acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000;

- (bb) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Harvest Global Investments Limited (嘉實國際資產管理有限公司), CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Harvest Global Investments Limited (嘉實國際資產管理有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000;
- (cc) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, INTEGRATED CORE STRATEGIES (ASIA) PTE. LTD., CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which INTEGRATED CORE STRATEGIES (ASIA) PTE. LTD. agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000;
- (dd) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Jane Street Asia Trading Limited, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Jane Street Asia Trading Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000;
- (ee) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, WT ASSET MANAGEMENT LIMITED, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which WT ASSET MANAGEMENT LIMITED agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000;
- (ff) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, MY ASIAN OPPORTUNITIES MASTER FUND, L.P., CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which MY ASIAN OPPORTUNITIES MASTER FUND, L.P. agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000; and
- (gg) a cornerstone investment agreement dated June 26, 2026 entered into between our Company, Polymer Asia Fund LP, CITIC Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, pursuant to which Polymer Asia Fund LP agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000.

## 2. Our Intellectual Property Rights

### (a) Trademarks

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, are material to our business:

| No. | Trademark                                                                              | Registration Number | Class | Name of Registered Proprietor | Place of Registration | Expiry Date        |
|-----|----------------------------------------------------------------------------------------|---------------------|-------|-------------------------------|-----------------------|--------------------|
| 1.  |       | 305373441           | 9     | Our Company                   | HK                    | September 2, 2030  |
| 2.  | 立讯精密                                                                                   | 78893181A           | 42    | Our Company                   | PRC                   | January 20, 2035   |
| 3.  | LUXSHARE ICT                                                                           | 78917917            | 7     | Our Company                   | PRC                   | February 27, 2035  |
| 4.  |       | 77259354            | 38    | Our Company                   | PRC                   | September 20, 2034 |
| 5.  |       | 77259605            | 38    | Our Company                   | PRC                   | June 27, 2035      |
| 6.  |       | 69080558            | 9     | Our Company                   | PRC                   | October 20, 2033   |
| 7.  | LUXLax                                                                                 | 56584278            | 10    | Our Company                   | PRC                   | December 27, 2031  |
| 8.  | 立可松                                                                                    | 56600035            | 9     | Our Company                   | PRC                   | December 27, 2031  |
| 9.  |       | 54005997            | 9     | Our Company                   | PRC                   | October 6, 2031    |
| 10. | 立讯                                                                                     | 50910866            | 9     | Our Company                   | PRC                   | September 6, 2031  |
| 11. |     | 45538660            | 9     | Our Company                   | PRC                   | June 6, 2031       |
| 12. | Optamax Twinax                                                                         | 32954956            | 9     | Our Company                   | PRC                   | May 13, 2029       |
| 13. |     | 22270150            | 7     | Our Company                   | PRC                   | January 27, 2028   |
| 14. | LuXshare                                                                               | 18084817            | 9     | Our Company                   | PRC                   | November 27, 2026  |
| 15. |     | 71169178            | 9     | Luxshare Smart Manufacturing  | PRC                   | October 27, 2033   |
| 16. |     | 56837787            | 9     | Luxcase ICT Yancheng          | PRC                   | July 27, 2032      |
| 17. | ICT-LANTO                                                                              | 42670241            | 9     | Lanto Kunshan                 | PRC                   | July 6, 2031       |
| 18. |  联滔 | 32027124            | 9     | Lanto Kunshan                 | PRC                   | April 6, 2029      |

(b) *Patents*

As of the Latest Practicable Date, our Group was the registered proprietor of the following patents which, in the opinion of our Directors, are or may be material to our business:

| No. | Patent                                                                                                                     | Registration Number | Name of Registered Proprietor | Place of Registration | Date of Application |
|-----|----------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|-----------------------|---------------------|
| 1.  | Electromagnetic shielding fiber, cable and manufacturing method thereof (電磁屏蔽纖維、線纜和線纜的製造方法) . . . . .                      | CN202010377587.3    | Our Company                   | PRC                   | May 7, 2020         |
| 2.  | Device and method for molding FPC and plastic parts (一種FPC與塑膠件成型的裝置及方法). . . . .                                           | CN202010187137.8    | Our Company                   | PRC                   | March 17, 2020      |
| 3.  | Digitally remote-controlled sandblasting system based on digitalization (一種基於數字化遠程控制的噴砂系統) . . . . .                       | CN202210382462.9    | Jiashan Rishan                | PRC                   | April 12, 2022      |
| 4.  | Online real-time glossiness detection system for products after sandblasting (一種產品噴砂後光澤度在線實時檢測系統). . . . .                 | CN202210382786.2    | Jiashan Rishan                | PRC                   | April 12, 2022      |
| 5.  | Flexible circuit board bending equipment and bending method (柔性電路板折彎設備及折彎方法) . . . . .                                     | CN201911103749.8    | Luxshare Smart Manufacturing  | PRC                   | November 12, 2019   |
| 6.  | High-speed signal equal-length control algorithm, PCB routing method and PCB (高速信號等長控制算法、PCB的布線方法及PCB) . . . . .           | CN201710790808.8    | Luxshare Chuzhou              | PRC                   | September 5, 2017   |
| 7.  | Wiring method for electrical connector plug (電連接器插頭的排線方法). . . . .                                                         | CN202010221050.8    | Luxshare Chuzhou              | PRC                   | March 25, 2020      |
| 8.  | Automated assembly equipment (一種自動化組裝設備) . . . . .                                                                         | CN202210955046.3    | Luxcase ICT Yancheng          | PRC                   | August 10, 2022     |
| 9.  | Anodizing device with dual current loops (雙電流回路的陽極氧化裝置) . . . . .                                                          | CN202211428669.1    | Luxcase ICT Yancheng          | PRC                   | November 15, 2022   |
| 10. | Cable assembly, electronic device having the cable assembly and assembly method thereof (線纜組件、具有該線纜組件的電子裝置及其組裝方法). . . . . | CN202110307411.5    | Lanto Kunshan                 | PRC                   | March 23, 2021      |
| 11. | Optical image stabilization camera device (光學圖像穩定化攝像裝置). . . . .                                                           | CN202110550472.4    | Lanto Kunshan                 | PRC                   | May 20, 2021        |
| 12. | Camera device with image compensation and autofocus functions (兼具影像補償與自動對焦功能的攝像裝置) . . . . .                               | CN202110550462.0    | Lanto Kunshan                 | PRC                   | May 20, 2021        |
| 13. | Thin-film coil and electronic device (薄膜線圈及電子裝置) . . . . .                                                                 | CN201810517534.X    | Lanto Kunshan                 | PRC                   | May 25, 2018        |

## APPENDIX IV

## STATUTORY AND GENERAL INFORMATION

| No. | Patent                                                                                                                    | Registration Number | Name of Registered Proprietor | Place of Registration | Date of Application |
|-----|---------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|-----------------------|---------------------|
| 14. | Antenna module and preparation method thereof, terminal (天線模組及其製備方法、終端) . . . . .                                         | CN202110931322.8    | Lanto Kunshan                 | PRC                   | August 13, 2021     |
| 15. | Multi-coil structure, manufacturing method thereof and electronic device having the same (多線圈結構、其製造方法及具有其的電子設備) . . . . . | CN202211486440.3    | Lanto Kunshan                 | PRC                   | November 24, 2022   |
| 16. | Manufacturing process of millimeter-wave antenna and RF integrated module (一種毫米波天線與射頻集成模組的製備工藝) . . . . .                 | CN202110253272.2    | Lanto Kunshan                 | PRC                   | March 5, 2021       |
| 17. | Charging robot control method, device, electronic equipment and readable storage medium (充電機器人控制方法、裝置、電子設備及可讀存儲介質) . .    | CN202311407829.9    | Lanto Kunshan                 | PRC                   | October 27, 2023    |
| 18. | Vehicle charging method, vehicle charging system and vehicle (車輛充電方法、車輛充電系統和車輛) . . . .                                   | CN202410154108.X    | Lanto Kunshan                 | PRC                   | June 29, 2023       |
| 19. | Robot handling and pressure-holding fixture for Bluetooth earphone production (一種用於藍牙耳機生產的機器人搬運保壓治具) . . . . .            | CN202011240014.2    | Smart Manufacturing Jiangxi   | PRC                   | November 9, 2020    |

### (c) Copyrights

As of the Latest Practicable Date, we were the registered proprietor of the following copyrights which, in the opinion of our Directors, are material to our business:

| No. | Copyright                                                                                                                                                      | Registration Number | Name of Registered Proprietor | Place of Registration | Date of Registration |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|-----------------------|----------------------|
| 1.  | LuxGUI—Luxshare Precision AC Charging Pile Graphical User Interface Software [Abbreviation: LuxGUI] V1.0 (LuxGUI—立訊精密交流充電樁圖形用戶界面軟件[簡稱: LuxGUI] V1.0) . . . . . | 2024SR1613281       | Our Company                   | PRC                   | October 25, 2024     |
| 2.  | IPQC Email Generation System [Abbreviation: IPQCEmailGenerator] V1.0 (IPQC郵件生成系統[簡稱: IPQCEmailGenerator] V1.0) . . . . .                                       | 2025SR0779056       | Jiashan Rishan                | PRC                   | May 14, 2025         |
| 3.  | UG Intelligent BOM Export System [Abbreviation: Lux_Nx_Bom] V1.0 (UG智能導出BOM系統[簡稱: Lux_Nx_Bom] V1.0). . . .                                                     | 2023SR1271440       | Jiashan Rishan                | PRC                   | October 20, 2023     |
| 4.  | Design Version Change Traceability System [Abbreviation: Lux_Version_Update] V1.0 (設計版本變更追溯系統[簡稱: Lux_Version Update] V1.0). . . . .                           | 2023SR1269417       | Jiashan Rishan                | PRC                   | October 20, 2023     |

# APPENDIX IV

# STATUTORY AND GENERAL INFORMATION

| No. | Copyright                                                                                                                              | Registration Number | Name of Registered Proprietor   | Place of Registration | Date of Registration |
|-----|----------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------|-----------------------|----------------------|
| 5.  | Tooling Part Number Retrieval System<br>[Abbreviation: LTRS] V1.0 (刀具料號檢索系統<br>[簡稱：LTRS] V1.0) . . . . .                               | 2023SR1264342       | Jiashan Rishan                  | PRC                   | October 19, 2023     |
| 6.  | Manual Gauge Management System<br>[Abbreviation: Manual Gauge Management]<br>V1.0 (手打表管理系統[簡稱：手打表管理]<br>V1.0) . . . . .                | 2022SR0186737       | Jiashan Rishan                  | PRC                   | January 28, 2022     |
| 7.  | Electronic Notice Management System<br>[Abbreviation: Electronic Notice] V1.0 (電子告<br>示管理系統[簡稱：電子告示] V1.0) . . . . .                   | 2022SR0186742       | Jiashan Rishan                  | PRC                   | January 28, 2022     |
| 8.  | Critical Equipment Management System<br>[Abbreviation: Critical Equipment<br>Management] V1.0 (重要設備管理系統<br>[簡稱：重要設備管理] V1.0) . . . . . | 2022SR0186744       | Jiashan Rishan                  | PRC                   | January 28, 2022     |
| 9.  | Scuba Diving Test Control System [Abbreviation:<br>Automatic Control] V1.0 (一種水肺潛水測試控<br>制系統[簡稱：自動調控] V1.0). . . . .                   | 2024SR2049601       | Luxshare Smart<br>Manufacturing | PRC                   | December 11,<br>2024 |
| 10. | Watch NFC Test Device Control Software<br>[Abbreviation: NFC] V2.0 (手錶NFC測試裝置<br>控制軟件[簡稱：NFC] V2.0) . . . . .                          | 2023SR0972900       | Luxshare Smart<br>Manufacturing | PRC                   | August 24, 2023      |
| 11. | Intelligent Tooling Processing Control &<br>Measurement System V1.0 (治具加工智能管制<br>量測系統V1.0) . . . . .                                   | 2024SR0345451       | Luxcase ICT<br>Yancheng         | PRC                   | March 4, 2024        |
| 12. | MRB Abnormality Intelligent Traceability System<br>V1.0 (MRB異常智能追溯系統V1.0) . . . . .                                                    | 2024SR0136034       | Luxcase ICT<br>Yancheng         | PRC                   | January 19, 2024     |
| 13. | FQCSI Yield Intelligent Monitoring System V1.0<br>(FQCSI良率智能監控系統V1.0) . . . . .                                                        | 2023SR1786292       | Luxcase ICT<br>Yancheng         | PRC                   | December 27,<br>2023 |
| 14. | Multi-Function Comparator Intelligent<br>Measurement & Control System V1.0 (多功能<br>對比儀智能量測管制系統V1.0). . . . .                           | 2023SR1786185       | Luxcase ICT<br>Yancheng         | PRC                   | December 27,<br>2023 |
| 15. | CPK Intelligent Data Monitoring System V1.0<br>(CPK智能數據監控系統V1.0). . . . .                                                              | 2023SR1610658       | Luxcase ICT<br>Yancheng         | PRC                   | December 12,<br>2023 |
| 16. | AGV Smart Cart Map Programming System V1.0<br>(AGV智能小車地圖編寫系統V1.0) . . . . .                                                            | 2023SR1609844       | Luxcase ICT<br>Yancheng         | PRC                   | December 12,<br>2023 |
| 17. | CNC Tool Closed-Loop Management System<br>[Abbreviation: Tool Management] V1.0 (CNC<br>刀具閉環管理系統[簡稱：刀具管理]<br>V1.0) . . . . .            | 2023SR1604691       | Luxcase ICT<br>Yancheng         | PRC                   | December 11,<br>2023 |
| 18. | Dial Indicator Intelligent Measurement & Control<br>System V1.0 (千分錶智能量測管制系統V1.0) .                                                    | 2023SR1524387       | Luxcase ICT<br>Yancheng         | PRC                   | November 28,<br>2023 |
| 19. | SD Foam Automatic Assembly System V1.0 (SD<br>泡棉自動組裝系統V1.0) . . . . .                                                                  | 2023SR1523598       | Luxcase ICT<br>Yancheng         | PRC                   | November 28,<br>2023 |

| No. | Copyright                                                                                                                                                              | Registration Number | Name of Registered Proprietor     | Place of Registration | Date of Registration  |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------|-----------------------|-----------------------|
| 20. | Production Management System [Abbreviation: MES] V1.0 (生產管理系統[簡稱: MES] V1.0) . . . . .                                                                                 | 2023SR1521736       | Luxcase ICT<br>Yancheng           | PRC                   | November 28,<br>2023  |
| 21. | AGV Utilization Rate System V1.0 (AGV稼働率系統V1.0). . . . .                                                                                                               | 2023SR1407834       | Luxcase ICT<br>Yancheng           | PRC                   | November 9, 2023      |
| 22. | Press Control & Data Acquisition System V1.0 (壓合控制及數據採集系統V1.0) . . . . .                                                                                               | 2023SR1404045       | Luxcase ICT<br>Yancheng           | PRC                   | November 8, 2023      |
| 23. | Notebook Shell 2D Dimension Automatic Measurement System V1.0 (筆記本外殼2D尺寸自動量測系統V1.0). . . . .                                                                           | 2023SR1100290       | Luxcase ICT<br>Yancheng           | PRC                   | September 19,<br>2023 |
| 24. | Punch Management System [Abbreviation: Punch Management] V1.0 (沖頭管理系統[簡稱: 沖頭管理] V1.0). . . . .                                                                         | 2023SR0894727       | Luxcase ICT<br>Yancheng           | PRC                   | August 4, 2023        |
| 25. | CNC Machine Group Program Intelligent Monitoring System [Abbreviation: Monitoring System] V1.0 (數控加工機群程式智能監控系統[簡稱: 監控系統] V1.0) . . . . .                               | 2021SR0965837       | Luxcase ICT<br>Yancheng           | PRC                   | June 29, 2021         |
| 26. | Information Security Guardian System V1.0 (資安安全衛士系統V1.0). . . . .                                                                                                      | 2024SR0525289       | Lanto Kunshan                     | PRC                   | April 18, 2024        |
| 27. | Luxshare Security App Store System V1.0 (立訊安全應用商店系統V1.0) . . . . .                                                                                                     | 2023SR1803766       | Lanto Kunshan                     | PRC                   | December 29,<br>2023  |
| 28. | Barcode Laser Sensing Client/Server Management System [Abbreviation: Barcode Laser Sensing Management System] V1.1 (條碼激光感應客戶端/服務端管理系統[簡稱: 條碼激光智能感應管理系統] V1.1). . . . . | 2011SR022782        | Lanto Kunshan                     | PRC                   | April 22, 2011        |
| 29. | Automatic Image Comparison Software [Abbreviation: AIC] 1.24.7.24 (自動圖像比對軟件[簡稱: AIC] 1.24.7.24) . . . . .                                                              | 2025SR0307121       | Smart<br>Manufacturing<br>Jiangxi | PRC                   | February 21, 2025     |
| 30. | Chamber Temperature & Humidity Monitoring Software V1.0 (Chamber溫濕度監控軟件V1.0) . . . . .                                                                                 | 2025SR0307835       | Smart<br>Manufacturing<br>Jiangxi | PRC                   | February 21, 2025     |
| 31. | VI Tool Software V2.0 (VI Tool軟件V2.0) . . . . .                                                                                                                        | 2024SR0216068       | Smart<br>Manufacturing<br>Jiangxi | PRC                   | February 1, 2024      |
| 32. | Analysis Tool Software V2.0 (Analysis Tool軟件V2.0) . . . . .                                                                                                            | 2023SR0978547       | Smart<br>Manufacturing<br>Jiangxi | PRC                   | August 25, 2023       |
| 33. | Show Information Software V1.0 (Show Information軟件V1.0). . . . .                                                                                                       | 2022SR1102744       | Smart<br>Manufacturing<br>Jiangxi | PRC                   | August 11, 2022       |



| No. | Copyright                                                                                                               | Registration Number | Name of Registered Proprietor | Place of Registration | Date of Registration |
|-----|-------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|-----------------------|----------------------|
| 34. | Compare_FATP_SN Software V1.0.0<br>(Compare_FATP_SN軟件V1.0.0) . . . . .                                                  | 2022SR0811194       | Smart Manufacturing Jiangxi   | PRC                   | June 22, 2022        |
| 35. | TE Panel Software V1.0 (TE Panel軟件V1.0) . . .                                                                           | 2022SR0811191       | Smart Manufacturing Jiangxi   | PRC                   | June 22, 2022        |
| 36. | Downtime Manager System [Abbreviation: Downtime Manager] V1.0 (Downtime Manager系統[簡稱: Downtime Manager] V1.0) . . . . . | 2022SR0688819       | Smart Manufacturing Jiangxi   | PRC                   | June 2, 2022         |

### C. FURTHER INFORMATION ABOUT DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

#### 1. Disclosure of interests of Directors, Chief Executive and Substantial Shareholders of our Company

To the best knowledge of our Directors, save as disclosed below, immediately following the completion of the Global Offering (assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date), none of our Directors or chief executive has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

##### (a) Interests in Shares of our Company

| Name                         | Position(s)                                                    | Nature of interest <sup>1</sup>                 | Number and description of Shares | Percentage of the issued Shares immediately after the Global Offering |
|------------------------------|----------------------------------------------------------------|-------------------------------------------------|----------------------------------|-----------------------------------------------------------------------|
| Ms. Wang . . . . .           | Chairlady of our Board, executive Director and general manager | Interest in controlled corporation <sup>2</sup> | 2,731,537,636 A Shares           | 35.47%                                                                |
| Mr. Wang . . . . .           | Vice chairman of our Board and executive Director              | Interest in controlled corporation <sup>2</sup> | 2,731,537,636 A Shares           | 35.47%                                                                |
|                              |                                                                | Beneficial owner                                | 19,854,147 A Shares              | 0.26%                                                                 |
| Mr. Qian Jiwen (錢繼文) . . . . | Executive Director and vice general manager                    | Beneficial owner <sup>3</sup>                   | 4,127,992 A Shares               | 0.05%                                                                 |

| Name                       | Position(s)                                                                      | Nature of interest <sup>1</sup> | Number and description of Shares | Percentage of the issued Shares immediately after the Global Offering |
|----------------------------|----------------------------------------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------------------------------|
| Mr. Hao Jie (郝杰) . . . . . | Executive Director and vice general manager                                      | Beneficial owner <sup>4</sup>   | 3,420,197 A Shares               | 0.04%                                                                 |
| Mr. Chen Weihang (陳蔚航) . . | Executive Director (Employee Director) and the securities affairs representative | Beneficial owner <sup>5</sup>   | 96,000 A Shares                  | 0.001%                                                                |

*Notes:*

1. All interests stated are long positions.
2. Luxshare Limited is owned as to 50% by Ms. Wang and 50% by Mr. Wang. By virtue of the SFO, each of Ms. Wang and Mr. Wang is deemed to be interested in the Shares in which Luxshare Limited is interested.
3. Mr. Qian Jiwen holds 853,992 A Shares and is granted options to subscribe for 3,274,000 A Shares pursuant to the Share Option Incentive Plans.
4. Mr. Hao Jie holds 135,197 A Shares and is granted options to subscribe for 3,285,000 A Shares pursuant to the Share Option Incentive Plans.
5. Mr. Chen Weihang holds 8,000 A Shares and is granted options to subscribe for 88,000 A Shares pursuant to the Share Option Incentive Plans.

**(b) Substantial Shareholders**

Save as disclosed in “Substantial Shareholders,” our Directors are not aware of any persons (other than our Directors and chief executive of our Company) who immediately following the completion of the Global Offering (assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date), will have or be deemed or taken to have interests and/or short position in our Shares or underlying Shares which would be required to be disclosed to the Company and the 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 types of the issued voting shares of any member of our Group.

**2. Particulars of Directors’ service contracts and appointment letters**

Each of our Directors has entered into a service agreement or letter of appointment with our Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service agreement with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

**3. Directors’ remuneration**

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind and discretionary bonuses) of our Directors for the year ending December 31, 2026 is estimated to be no more than approximately RMB22 million.

For details of the Directors' remuneration, see "Directors and Senior Management—Compensation of Directors and Senior Management" and Note 8(c) to the Accountants' Report as set out in Appendix I to this prospectus.

#### **4. Agency fees or commissions received**

Save as disclosed in "Underwriting—Commissions and Expenses" in this prospectus, no commissions, discounts, agency fees, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

#### **5. Disclaimers**

- (a) save as disclosed in this section, none of our Directors or chief executive of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code once our H Shares have been listed on the Stock Exchange;
- (b) within the two years immediately preceding the date of this prospectus, none of our Directors nor any of the experts referred to under "—E. Other Information—6. Qualifications and Consents of Experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) save as disclosed in "Connected Transactions" in this prospectus, none of our Directors nor any of the experts referred to under "—E. Other Information—6. Qualifications and Consents of Experts" in this Appendix, is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) save as disclosed in this section, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) save as disclosed in "—C. Further information about Directors, Chief Executive and Substantial Shareholders of Our Company" above, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering (assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group; and

- (f) so far as is known to our Directors as of the Latest Practicable Date, none of the Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in any of our top five suppliers and top five customers.

#### **D. SHARE OPTION INCENTIVE PLANS**

The following is a summary of the principal terms of the Share Option Incentive Plans, including the 2021 Share Option Incentive Plan, the 2022 Share Option Incentive Plan and the 2025 Share Option Incentive Plan. Given no further share options will be granted under the Share Option Incentive Plans after the Listing, the terms of the Share Option Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules.

##### **(i) Purpose**

The purpose of the Share Option Incentive Plans is to enhance our Group's corporate governance structure and incentive mechanism and incentivize our Group's management and key employees to achieve a sustained and healthy development of our Group. The Share Option Incentive Plans are implemented to align the interests of the Shareholders with the interests of our Group and the incentivized employees which will benefit the sustained development of our Group.

##### **(ii) Administration**

The Share Option Incentive Plans have been approved by the Shareholders' meeting, and are subject to the administration of the Board and the supervision of the Remuneration and Appraisal Committee.

##### **(iii) Participants**

The participants of the Share Option Incentive Plans include Directors, senior management, mid-level management and key technical personnel, but exclude independent Directors, supervisors and Shareholders or actual controller who individually or collectively hold 5% or more of the A Shares and their spouse, parents and children.

##### **(iv) Number of options**

The Shares underlying the options granted under the Share Option Incentive Plans are A Shares to be issued by our Company to the selected participants. Each option granted represents the right to subscribe for one A Share within the exercise period at the exercise price. The number of options granted under each of the Share Option Incentive Plans are as follows:

| <b>Share Option Incentive Plan</b>         | <b>Number of options granted</b> |
|--------------------------------------------|----------------------------------|
| 2021 Share Option Incentive Plan . . . . . | 64,877,800                       |
| 2022 Share Option Incentive Plan . . . . . | 168,513,000                      |
| 2025 Share Option Incentive Plan . . . . . | 221,500,000                      |

##### **(v) Duration of the Share Option Incentive Plans**

The Share Option Incentive Plans shall be valid for a term of 72 or 84 months, which shall commence from the date of grant of the initial batch of options under the relevant plan and lapse when all options granted thereunder have been exercised or canceled.

**(vi) Date of grant of options**

The date on which the options under the initial batch are granted shall be a trading day determined by the Board within 60 days after the date of approval of the Share Option Incentive Plans by the Shareholders' meeting. The grant of options shall be approved by the Board, registered and announced within 60 days after the approval of the Share Option Incentive Plans by the Shareholders' meeting. The options under the reserve batch shall be granted within 12 months after the date of approval of the Share Option Incentive Plans by the Shareholders' meeting.

**(vii) Conditions to the grant of options**

The options under the Share Option Incentive Plans will only be granted to selected participants if the following conditions are fulfilled:

- (a) with respect to our Company, none of the following circumstances having occurred:
  - (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to our Company's accountants' report for the most recent fiscal year;
  - (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to the internal control report contained in accountants' report for the most recent fiscal year;
  - (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;
  - (4) the applicable laws and regulations prohibit the implementation of any share incentive arrangement; or
  - (5) any other circumstances determined by the CSRC.
- (b) with respect to a grantee, none of the following circumstances having occurred:
  - (1) the grantee has been regarded as an inappropriate person by the Share exchange within the last 12 months;
  - (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;
  - (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material breach of laws and regulations within the last 12 months;
  - (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;
  - (5) the grantee is prohibited from participating in any share incentive arrangement of listed companies according to applicable laws and regulations; or
  - (6) any other circumstances determined by the CSRC.

No consideration is paid/payable for the options granted under Share Option Incentive Plans.

**(viii) Exercise of options**

Options may be exercised by a grantee provided that (i) the conditions set out under paragraph (vii) above are fulfilled at the time of exercise of options; and (ii) the annual assessment and performance targets as set out under the Share Option Incentive Plans are achieved.

The exercise price for the options granted under the 2021 Share Option Incentive Plan and the 2022 Share Option Incentive Plan is determined at a price which shall not be below the nominal value of the A Shares and not be below the higher of (i) the average trading price of the A Shares in the trading day before the announcement of the draft plan; and (ii) the average trading price of the A Shares during 20 trading days before the announcement of the draft plan.

The exercise price for the options granted under the 2025 Share Option Incentive Plan is determined at a price which shall not be below the nominal value of the A Shares and not be below 80% of the higher of (i) the average trading price of the A Shares in the trading day before the announcement of the draft plan; and (ii) the average trading price of the A Shares during 20 trading days before the announcement of the draft plan.

The exercise prices for the options granted under each of the Share Option Incentive Plans are as follows:

| Share Option Incentive Plan                | Exercise price |
|--------------------------------------------|----------------|
| 2021 Share Option Incentive Plan . . . . . | RMB34.97       |
| 2022 Share Option Incentive Plan . . . . . | RMB29.56       |
| 2025 Share Option Incentive Plan . . . . . | RMB24.99       |

The number of options granted and the exercise prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus A Shares, subdivision of A Shares and issue of new A Shares.

The options granted are exercisable in tranches of 20% in each of the five exercise periods that occur between the first trading day after the 12-month anniversary from the date of grant and the last trading day up to the 72-month anniversary of the date of grant.

The exercise of the options granted under the 2021 Share Option Incentive Plan and the 2022 Share Option Incentive Plan shall be on a trading day, which shall not fall within the following periods (i) 30 days before the publication of annual report, interim report and quarterly report; (ii) 10 days before the publication of earnings forecast and preliminary earnings estimate, (iii) the period starting from the date of occurrence of any significant price-sensitive event on the trading of our Shares and derivatives or the decision-making process in respect of such event until two trading days after the date of announcement of such event; and (iv) any other period stipulated by the CSRC and the Shenzhen Stock Exchange.

The exercise of the options granted under the 2025 Share Option Incentive Plan shall be on a trading day, which shall not fall within the following periods (i) 15 days before the publication of annual report and interim report, (ii) 5 days before the publication of quarterly report, earnings forecast and preliminary earnings estimate, (iii) the period starting from the date of occurrence of any significant price-sensitive event on the trading of our Shares and derivatives or the decision-making process in respect of such event until the date of announcement of such event; and (iv) any other period stipulated by the CSRC and the Shenzhen Stock Exchange.

The grantees must exercise their options within the validity period of the respective options. Upon the expiry of the validity period, options granted but not exercised will cease to be exercisable and shall be canceled by our Company.

**(ix) Lock-up**

If the grantee is a Director or a senior management of our Company, the A Shares to be transferred in each year shall not exceed 25% of the total A Shares he holds during the term of his employment, and no share held by such Director or senior management can be transferred within six months after termination of his employment.

If the grantee is a Director or senior management of our Company, income gained through the sale of A Shares within six months of the purchase, or purchase of A Shares within six months of the sale, shall belong to our Company and will be forfeited by the Board.

If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

**(x) Outstanding options**

As of the Latest Practicable Date, the number of A Shares underlying the outstanding options granted under the Share Option Incentive Plans amounted to 299,458,471 A Shares, representing 3.89% of the issued Shares immediately following the completion of the Listing (assuming that the Over-allotment Option, the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date). As of the Latest Practicable Date, the outstanding options were held by 5,458 grantees, comprising (a) three Directors; (b) two other members of the senior management; (c) 25 grantees who are the Other Connected Persons; (d) the Five Grantees; and (e) 5,423 grantees who are employees of our Company and are not Directors, members of the senior management, the Other Connected Persons or the Five Grantees. Assuming full exercise of all outstanding options granted under the Share Option Incentive Plans, the issued and outstanding shareholding of the Shareholders immediately following completion of the Listing will be diluted by 3.74%. The dilution effect on our earnings per Share would be 3.74%.

The table below sets forth the details of the options granted to the Directors and our senior management under the Share Option Incentive Plans which were outstanding as of the Latest Practicable Date:

| Name of grantee           | Position in our Company                     | Address                                                                           | Date of grant     | Number of A Shares underlying outstanding options | Exercise price | Exercise period                        | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|---------------------------|---------------------------------------------|-----------------------------------------------------------------------------------|-------------------|---------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <i>Directors</i>          |                                             |                                                                                   |                   |                                                   |                |                                        |                                                                                                                             |
| Qian Jiwen . . . .        | Executive Director and vice general manager | No. 184, Lane 428, Mingxing Road, Xinqiao Town, Songjiang District, Shanghai, PRC | December 5, 2022  | 258,000                                           | RMB29.56       | May 15, 2026 to December 4, 2026       | 0.0033%                                                                                                                     |
|                           |                                             |                                                                                   |                   | 516,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0067%                                                                                                                     |
|                           |                                             |                                                                                   | May 23, 2025      | 1,500,000                                         | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0195%                                                                                                                     |
|                           |                                             |                                                                                   | November 21, 2025 | 1,000,000                                         | RMB24.99       | November 22, 2026 to November 21, 2031 | 0.0130%                                                                                                                     |
| <i>Subtotal</i> . . . . . |                                             |                                                                                   |                   | 3,274,000                                         |                |                                        | 0.0425%                                                                                                                     |



# APPENDIX IV

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|                           |                                                                                                    |                                                                                                                                                      |                      |                                                         |                |                                                 | A Shares underlying<br>outstanding options<br>as a percentage of<br>issued Shares<br>immediately after the<br>Global Offering <sup>1</sup> |
|---------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------------------------------|----------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Name of grantee           | Position in our<br>Company                                                                         | Address                                                                                                                                              | Date of grant        | Number of A Shares<br>underlying<br>outstanding options | Exercise price | Exercise period                                 |                                                                                                                                            |
| Hao Jie . . . . .         | Executive<br>Director and<br>vice general<br>manager                                               | Zone D2,<br>No. 88 Courtyard,<br>Wanyuan Road,<br>Dianshanhu Town,<br>Kunshan, Jiangsu<br>Province, PRC                                              | December 5, 2022     | 200,000                                                 | RMB29.56       | May 15, 2026 to<br>December 4,<br>2026          | 0.0026%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      |                      | 400,000                                                 | RMB29.56       | December 6, 2026<br>to December 5,<br>2028      | 0.0052%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      | May 23, 2025         | 1,500,000                                               | RMB24.99       | May 23, 2026 to<br>May 22, 2031                 | 0.0195%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      | November 21,<br>2025 | 1,185,000                                               | RMB24.99       | November 22,<br>2026 to<br>November 21,<br>2031 | 0.0154%                                                                                                                                    |
| <i>Subtotal . . . . .</i> |                                                                                                    |                                                                                                                                                      |                      | <i>3,285,000</i>                                        |                |                                                 | <i>0.0427%</i>                                                                                                                             |
| Chen Weihang . . . . .    | Executive<br>Director<br>(Employee<br>Director) and<br>the securities<br>affairs<br>representative | Building 2, Pingguo<br>Community Phase II,<br>Country Garden,<br>Huancheng East Road,<br>Dongcheng District,<br>Dongguan, Guangdong<br>Province, PRC | December 5, 2022     | 8,000                                                   | RMB29.56       | December 6, 2026<br>to December 5,<br>2028      | 0.0001%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      | May 23, 2025         | 80,000                                                  | RMB24.99       | May 23, 2026 to<br>May 22, 2031                 | 0.0010%                                                                                                                                    |
| <i>Subtotal . . . . .</i> |                                                                                                    |                                                                                                                                                      |                      | <i>88,000</i>                                           |                |                                                 | <i>0.0011%</i>                                                                                                                             |
| <i>Senior management</i>  |                                                                                                    |                                                                                                                                                      |                      |                                                         |                |                                                 |                                                                                                                                            |
| Xiao Yunxi . . . . .      | Board secretary                                                                                    | Unit 3, Building 1,<br>Taoyuan Fengjingyuan,<br>Xixiang Street, Bao'an<br>District, Shenzhen,<br>Guangdong Province,<br>PRC                          | December 5, 2022     | 40,000                                                  | RMB29.56       | December 6, 2026<br>to December 5,<br>2028      | 0.0005%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      | May 23, 2025         | 150,000                                                 | RMB24.99       | May 23, 2026 to<br>May 22, 2031                 | 0.0019%                                                                                                                                    |
| <i>Subtotal . . . . .</i> |                                                                                                    |                                                                                                                                                      |                      | <i>190,000</i>                                          |                |                                                 | <i>0.0025%</i>                                                                                                                             |
| Wu Tien-sung . . . . .    | Financial director                                                                                 | No. 6,<br>Tongde Fifth Street,<br>Taoyuan District,<br>Taoyuan, Taiwan,<br>PRC                                                                       | December 5, 2022     | 80,000                                                  | RMB29.56       | May 15, 2026 to<br>December 4,<br>2026          | 0.0010%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      |                      | 160,000                                                 | RMB29.56       | December 6, 2026<br>to December 5,<br>2028      | 0.0021%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      | May 23, 2025         | 400,000                                                 | RMB24.99       | May 23, 2026 to<br>May 22, 2031                 | 0.0052%                                                                                                                                    |
|                           |                                                                                                    |                                                                                                                                                      | November 21,<br>2025 | 100,000                                                 | RMB24.99       | November 22,<br>2026 to<br>November 21,<br>2031 | 0.0013%                                                                                                                                    |
| <i>Subtotal . . . . .</i> |                                                                                                    |                                                                                                                                                      |                      | <i>740,000</i>                                          |                |                                                 | <i>0.0096%</i>                                                                                                                             |
| <b>Total . . . . .</b>    |                                                                                                    |                                                                                                                                                      |                      | <b>7,577,000</b>                                        |                |                                                 | <b>0.0984%</b>                                                                                                                             |

*Note 1:* The calculation is based on the assumption that the Over-allotment Option, the options under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date, subject to rounding.

The table below sets forth the details of the options granted to the Other Connected Persons under the Share Option Incentive Plans which were outstanding as of the Latest Practicable Date:

| Name of Grantee           | Connected relationship                            | Address                                                                        | Date of grant     | Number of A Shares underlying outstanding options | Exercise price | Exercise period                        | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|---------------------------|---------------------------------------------------|--------------------------------------------------------------------------------|-------------------|---------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Li Bin . . . . .          | General manager of Lanto Kunshan                  | No. 108, Qianjin Middle Road, Yushan Town, Kunshan City, Jiangsu Province, PRC | December 5, 2022  | 800,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0104%                                                                                                                     |
|                           |                                                   |                                                                                | May 23, 2025      | 11,000,000                                        | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.1428%                                                                                                                     |
|                           |                                                   |                                                                                | November 21, 2025 | 11,000,000                                        | RMB24.99       | November 22, 2026 to November 20, 2031 | 0.1428%                                                                                                                     |
| <i>Subtotal . . . . .</i> |                                                   |                                                                                |                   | <b>22,800,000</b>                                 |                |                                        | <b>0.2960%</b>                                                                                                              |
| Li Wei . . . . .          | Director and general manager of Luxshare Changshu | No. 108, Qianjin Middle Road, Yushan Town, Kunshan City, Jiangsu Province, PRC | December 5, 2022  | 200,000                                           | RMB29.56       | May 15, 2026 to December 4, 2026       | 0.0260%                                                                                                                     |
|                           |                                                   |                                                                                |                   | 400,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0052%                                                                                                                     |
|                           |                                                   |                                                                                | May 23, 2025      | 2,000,000                                         | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0260%                                                                                                                     |
|                           |                                                   |                                                                                | November 21, 2025 | 1,500,000                                         | RMB24.99       | November 22, 2026 to November 20, 2031 | 0.0195%                                                                                                                     |
| <i>Subtotal . . . . .</i> |                                                   |                                                                                |                   | <b>4,100,000</b>                                  |                |                                        | <b>0.0532%</b>                                                                                                              |

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| Name of Grantee           | Connected relationship                                    | Address                                                                                       | Date of grant     | Number of A Shares underlying outstanding options | Exercise price | Exercise period                        | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|---------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Wang Tao . . . . .        | Director of Lanto Kunshan                                 | No. 108, Qianjin Middle Road, Yushan Town, Kunshan City, Jiangsu Province, PRC                | December 5, 2022  | 100,000                                           | RMB29.56       | May 15, 2026 to December 4, 2026       | 0.0130%                                                                                                                     |
|                           |                                                           |                                                                                               |                   | 400,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0052%                                                                                                                     |
|                           |                                                           |                                                                                               | May 23, 2025      | 2,000,000                                         | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0260%                                                                                                                     |
|                           |                                                           |                                                                                               | November 21, 2025 | 1,500,000                                         | RMB24.99       | November 22, 2026 to November 20, 2031 | 0.0195%                                                                                                                     |
| <i>Subtotal . . . . .</i> |                                                           |                                                                                               |                   | <b>4,000,000</b>                                  |                |                                        | <b>0.0519%</b>                                                                                                              |
| Li Jiayi . . . . .        | Director and general manager Luxshare Smart Manufacturing | No. 16, Lijiawan Group, Xitangping Village, Shenfugang Town, Liling City, Hunan Province, PRC | December 5, 2022  | 400,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0052%                                                                                                                     |
|                           |                                                           |                                                                                               | May 23, 2025      | 2,000,000                                         | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0260%                                                                                                                     |
|                           |                                                           |                                                                                               | November 21, 2025 | 1,500,000                                         | RMB24.99       | November 22, 2026 to November 20, 2031 | 0.0195%                                                                                                                     |
| <i>Subtotal . . . . .</i> |                                                           |                                                                                               |                   | <b>3,900,000</b>                                  |                |                                        | <b>0.0506%</b>                                                                                                              |
| Xue Haigao . . . . .      | Director of Smart Manufacturing Jiangxi                   | Building 141, Donggang New Village, Suzhou Industrial Park, Jiangsu Province                  | December 5, 2022  | 300,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0039%                                                                                                                     |
|                           |                                                           |                                                                                               | May 23, 2025      | 1,500,000                                         | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0195%                                                                                                                     |
|                           |                                                           |                                                                                               | November 21, 2025 | 1,500,000                                         | RMB24.99       | November 22, 2026 to November 20, 2031 | 0.0195%                                                                                                                     |
| <i>Subtotal . . . . .</i> |                                                           |                                                                                               |                   | <b>3,300,000</b>                                  |                |                                        | <b>0.0428%</b>                                                                                                              |

# APPENDIX IV

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| Name of Grantee           | Connected relationship                         | Address                                                                                               | Date of grant    | Number of A Shares underlying outstanding options | Exercise price | Exercise period                      | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|---------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------|----------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Chen Chaofei . . .        | Director of Smart Manufacturing Jiangxi        | Qulin, Zhonghua Road, Maba Town, Qujiang County, Shenzhen, Guangdong Province, PRC                    | December 5, 2022 | 100,000                                           | RMB29.56       | May 15, 2026 to December 4, 2026     | 0.0130%                                                                                                                     |
|                           |                                                |                                                                                                       |                  | 200,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0026%                                                                                                                     |
|                           |                                                |                                                                                                       | May 23, 2025     | 1,000,000                                         | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0130%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                |                                                                                                       |                  | <b>1,300,000</b>                                  |                |                                      | <b>0.0169%</b>                                                                                                              |
| Chang Hong. . . .         | General manager of Smart Manufacturing Jiangxi | No. 34, Qishan Group, Piaofengshan Village, Kaihui Township, Changsha County, Hunan Province, PRC     | December 5, 2022 | 300,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0039%                                                                                                                     |
|                           |                                                |                                                                                                       | May 23, 2025     | 300,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0039%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                |                                                                                                       |                  | <b>600,000</b>                                    |                |                                      | <b>0.0078%</b>                                                                                                              |
| Li Mengzhao . . .         | Supervisor of Luxshare Changshu                | No. 108, Qianjin Middle Road, Yushan Town, Kunshan City, Jiangsu Province, PRC                        | December 5, 2022 | 100,000                                           | RMB29.56       | May 15, 2026 to December 4, 2026     | 0.0130%                                                                                                                     |
|                           |                                                |                                                                                                       |                  | 200,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0026%                                                                                                                     |
|                           |                                                |                                                                                                       | May 23, 2025     | 400,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0052%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                |                                                                                                       |                  | <b>700,000</b>                                    |                |                                      | <b>0.0091%</b>                                                                                                              |
| Zhang Hong. . . .         | Supervisor of Jiashan Rishan                   | Building 29, Yinshan Lake View Garden, Guoxiang, Wuzhong District, Suzhou City, Jiangsu Province, PRC | December 5, 2022 | 60,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0008%                                                                                                                     |
|                           |                                                |                                                                                                       | May 23, 2025     | 410,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0053%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                |                                                                                                       |                  | <b>470,000</b>                                    |                |                                      | <b>0.0061%</b>                                                                                                              |
| Zhang Shimin . . .        | Director of Luxcase ICT Yancheng               | No. 8 Yancai Road, Tinghu District, Yancheng City, Jiangsu Province, PRC                              | December 3, 2021 | 60,000                                            | RMB34.97       | May 6, 2026 to December 3, 2027      | 0.0008%                                                                                                                     |
|                           |                                                |                                                                                                       | May 23, 2025     | 397,700                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0052%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                |                                                                                                       |                  | <b>457,700</b>                                    |                |                                      | <b>0.0059%</b>                                                                                                              |

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| Name of Grantee           | Connected relationship                                             | Address                                                                                                         | Date of grant    | Number of A Shares underlying outstanding options | Exercise price | Exercise period                      | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|---------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------|----------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Jiang Lifeng . . . .      | Director and general manager of Jiashan Rishan                     | Building 5, No. 166 Loumen Road, Suzhou Industrial Park, Jiangsu Province, PRC                                  | December 3, 2021 | 20,000                                            | RMB34.97       | May 6, 2026 to December 3, 2027      | 0.0003%                                                                                                                     |
|                           |                                                                    |                                                                                                                 | May 23, 2025     | 410,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0053%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                                    |                                                                                                                 |                  | <b>430,000</b>                                    |                |                                      | <b>0.0056%</b>                                                                                                              |
| Dong Jianhai . . . .      | Director of Lanto Kunshan                                          | Building 39, Bailu New Village, Yushan Town, Kunshan City, Jiangsu Province, PRC                                | December 5, 2022 | 40,000                                            | RMB29.56       | May 15, 2026 to December 4, 2026     | 0.0052%                                                                                                                     |
|                           |                                                                    |                                                                                                                 |                  | 80,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0010%                                                                                                                     |
|                           |                                                                    |                                                                                                                 | May 23, 2025     | 300,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0039%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                                    |                                                                                                                 |                  | <b>420,000</b>                                    |                |                                      | <b>0.0055%</b>                                                                                                              |
| Chen Zhihao . . . .       | Director of Luxcase ICT Yancheng and Director of Casetek Singapore | Dormitory Complex, 95 Changjiang Road, Huimin Subdistrict, Jiashan County, Jiaxing City, Zhejiang Province, PRC | December 3, 2021 | 22,000                                            | RMB34.97       | May 6, 2026 to December 3, 2027      | 0.0003%                                                                                                                     |
|                           |                                                                    |                                                                                                                 | May 23, 2025     | 354,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0046%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                                    |                                                                                                                 |                  | <b>376,000</b>                                    |                |                                      | <b>0.0049%</b>                                                                                                              |
| Chen Chaoming . . .       | Director of Smart Manufacturing Jiangxi                            | Building 1, No. 81 Xixiang Avenue, Bao'an District, Shenzhen, Guangdong Province, PRC                           | December 5, 2022 | 100,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0013%                                                                                                                     |
|                           |                                                                    |                                                                                                                 | May 23, 2025     | 200,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0026%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                                    |                                                                                                                 |                  | <b>300,000</b>                                    |                |                                      | <b>0.0039%</b>                                                                                                              |
| Luo Yi . . . . .          | General manager of Luxshare Chuzhou                                | No. 108, Qianjin Middle Road, Yushan Town, Kunshan City, Jiangsu Province, PRC                                  | December 5, 2022 | 72,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0009%                                                                                                                     |
|                           |                                                                    |                                                                                                                 | May 23, 2025     | 200,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0026%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                                                    |                                                                                                                 |                  | <b>272,000</b>                                    |                |                                      | <b>0.0035%</b>                                                                                                              |

# APPENDIX IV

# STATUTORY AND GENERAL INFORMATION

| Name of Grantee           | Connected relationship                    | Address                                                                                       | Date of grant     | Number of A Shares underlying outstanding options | Exercise price | Exercise period                        | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|---------------------------|-------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Fang Jianshun . . .       | Director of Casetek Singapore             | No. 9, A-ba-wo, Neighborhood 2, Tanwen Village, Zaoqiao Township, Miaoli County, Taiwan, PRC  | December 5, 2022  | 100,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0013%                                                                                                                     |
|                           |                                           |                                                                                               | November 21, 2025 | 150,000                                           | RMB24.99       | November 22, 2026 to November 20, 2031 | 0.0019%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                           |                                                                                               |                   | <b>250,000</b>                                    |                |                                        | <b>0.0032%</b>                                                                                                              |
| Cao Wei . . . . .         | Supervisor of Luxshare Kunming            | No. 47, Group 6, Jiepai Village, Jiulong Town, Yuechi County, Sichuan Province, PRC           | November 21, 2025 | 250,000                                           | RMB24.99       | November 22, 2026 to November 20, 2031 | 0.0032%                                                                                                                     |
| Chen Jinhua . . . .       | Director of Smart Manufacturing Jiangxi   | 820 N. Mccarthy Blvd.Ste 230, Milpitas, CA 95035                                              | December 5, 2022  | 40,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0005%                                                                                                                     |
|                           |                                           |                                                                                               | May 23, 2025      | 200,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0026%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                           |                                                                                               |                   | <b>240,000</b>                                    |                |                                        | <b>0.0031%</b>                                                                                                              |
| Li Zhengru . . . . .      | Director of Luxshare Vietnam              | 12th Floor, No. 536, Section 5, Zhongxiao East Road, Xinyi District, Taipei City, Taiwan, PRC | December 5, 2022  | 200,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0026%                                                                                                                     |
| Zhang Zongdong . .        | Supervisor of Lanto Kunshan               | Longxiang Road, Chimagang, Chibi City, Hubei Province, PRC                                    | December 5, 2022  | 200,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0026%                                                                                                                     |
| Zhang Xiaojian . .        | Supervisor of Smart Manufacturing Jiangxi | Building 16, Yihe Garden, Yushan Town, Kunshan City, Jiangsu Province, PRC                    | December 5, 2022  | 52,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0007%                                                                                                                     |
|                           |                                           |                                                                                               | May 23, 2025      | 100,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0013%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                           |                                                                                               |                   | <b>152,000</b>                                    |                |                                        | <b>0.0020%</b>                                                                                                              |
| Li Min . . . . .          | Supervisor of Luxcase ICT Yancheng        | No. 58, Moju Road, Yushan Town, Kunshan City, Jiangsu Province, PRC                           | December 5, 2022  | 52,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0007%                                                                                                                     |
|                           |                                           |                                                                                               | May 23, 2025      | 100,000                                           | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0013%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                           |                                                                                               |                   | <b>152,000</b>                                    |                |                                        | <b>0.0020%</b>                                                                                                              |

# APPENDIX IV

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| Name of Grantee           | Connected relationship             | Address                                                                                           | Date of grant    | Number of A Shares underlying outstanding options | Exercise price | Exercise period                      | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|---------------------------|------------------------------------|---------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------|----------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Chen Jiangping . .        | Supervisor of Luxshare Chuzhou     | No. 33, Group 3, Liaowei Village, Xiaochi Town, Huangmei County, Hubei Province, PRC              | December 5, 2022 | 60,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0008%                                                                                                                     |
|                           |                                    |                                                                                                   | May 23, 2025     | 60,000                                            | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0008%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                    |                                                                                                   |                  | <b>120,000</b>                                    |                |                                      | <b>0.0016%</b>                                                                                                              |
| Kan Chen . . . . .        | Director of Luxshare Van Trung     | No. 2055, Liuxiang Street, Liuxiang Town, Mingguang City, Anhui Province, PRC                     | December 5, 2022 | 48,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0006%                                                                                                                     |
|                           |                                    |                                                                                                   | May 23, 2025     | 60,000                                            | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0008%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                    |                                                                                                   |                  | <b>108,000</b>                                    |                |                                      | <b>0.0014%</b>                                                                                                              |
| He Zhiying . . . . .      | Supervisor of Luxcase ICT Yancheng | Building 1, Lijing City, Liutang, Xixiang, Baoan District, Shenzhen City, Guangdong Province, PRC | December 5, 2022 | 40,000                                            | RMB29.56       | December 6, 2026 to December 5, 2028 | 0.0005%                                                                                                                     |
|                           |                                    |                                                                                                   | May 23, 2025     | 41,000                                            | RMB24.99       | May 23, 2026 to May 22, 2031         | 0.0005%                                                                                                                     |
| <b>Subtotal . . . . .</b> |                                    |                                                                                                   |                  | <b>81,000</b>                                     |                |                                      | <b>0.0011%</b>                                                                                                              |
| <b>Total . . . . .</b>    |                                    |                                                                                                   |                  | <b>45,178,700</b>                                 |                |                                      | <b>0.5866%</b>                                                                                                              |

The table below sets forth the details of the options granted to the Five Grantees under the Share Option Incentive Plans which were outstanding as of the Latest Practicable Date:

| Name of Grantee       | Position                             | Address                                                                       | Date of grant     | Number of A Shares underlying outstanding options | Exercise price | Exercise period                        | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|-----------------------|--------------------------------------|-------------------------------------------------------------------------------|-------------------|---------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Zhang Jun . .         | Head of Smart Manufacturing Business | No.108, Qianjin Middle Road, Yushan Town, Kunshan City, Jiangsu Province, PRC | December 5, 2022  | 400,000                                           | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.0052%                                                                                                                     |
|                       |                                      |                                                                               | May 23, 2025      | 2,000,000                                         | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.0260%                                                                                                                     |
|                       |                                      |                                                                               | November 21, 2025 | 1,500,000                                         | RMB24.99       | November 22, 2026 to November 21, 2031 | 0.0195%                                                                                                                     |
| <b>Subtotal . . .</b> |                                      |                                                                               |                   | <b>3,900,000</b>                                  |                |                                        | <b>0.0506%</b>                                                                                                              |



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|                     |                                                |                                                                                                                            |                      |                                                            |                |                                              | A Shares<br>underlying<br>outstanding options<br>as a percentage of<br>issued Shares<br>immediately after<br>the Global<br>Offering <sup>1</sup> |
|---------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------|----------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of<br>Grantee  | Position                                       | Address                                                                                                                    | Date of grant        | Number of A<br>Shares underlying<br>outstanding<br>options | Exercise price | Exercise period                              |                                                                                                                                                  |
| Li Min . . .        | Head of<br>Consumer<br>Electronics<br>Business | Number 108, Qianjin<br>Middle Road, Yushan<br>Town, Kunshan City,<br>Jiangsu Province, PRC                                 | December 5,<br>2022  | 400,000                                                    | RMB29.56       | December 6, 2026 to<br>December 5, 2028      | 0.0052%                                                                                                                                          |
|                     |                                                |                                                                                                                            | May 23, 2025         | 2,000,000                                                  | RMB24.99       | May 23, 2026 to<br>May 22, 2031              | 0.0260%                                                                                                                                          |
|                     |                                                |                                                                                                                            | November 21,<br>2025 | 1,500,000                                                  | RMB24.99       | November 22, 2026<br>to November 21,<br>2031 | 0.0195%                                                                                                                                          |
| Subtotal . . .      |                                                |                                                                                                                            |                      | 3,900,000                                                  |                |                                              | 0.0506%                                                                                                                                          |
| Xiong<br>Tengfang . | Head of<br>Communications<br>Business          | Building 6, Vanke City,<br>Changping Town,<br>Dongguan City,<br>Guangdong Province,<br>PRC                                 | December 5,<br>2022  | 400,000                                                    | RMB29.56       | December 6, 2026 to<br>December 5, 2028      | 0.0052%                                                                                                                                          |
|                     |                                                |                                                                                                                            | May 23, 2025         | 2,000,000                                                  | RMB24.99       | May 23, 2026 to<br>May 22, 2031              | 0.0260%                                                                                                                                          |
|                     |                                                |                                                                                                                            | November 21,<br>2025 | 1,500,000                                                  | RMB24.99       | November 22, 2026<br>to November 21,<br>2031 | 0.0195%                                                                                                                                          |
| Subtotal . . .      |                                                |                                                                                                                            |                      | 3,900,000                                                  |                |                                              | 0.0506%                                                                                                                                          |
| Li Jing . . .       | Head of<br>Automotive<br>Business              | Building 1, Gaofa Xi'an<br>Garden, Baoyuan South<br>Road, Bao'an District,<br>Shenzhen City,<br>Guangdong Province,<br>PRC | December 5,<br>2022  | 400,000                                                    | RMB29.56       | December 6, 2026 to<br>December 5, 2028      | 0.0052%                                                                                                                                          |
|                     |                                                |                                                                                                                            | May 23, 2025         | 2,000,000                                                  | RMB24.99       | May 23, 2026 to<br>May 22, 2031              | 0.0260%                                                                                                                                          |
|                     |                                                |                                                                                                                            | November 21,<br>2025 | 1,500,000                                                  | RMB24.99       | November 22, 2026<br>to November 21,<br>2031 | 0.0195%                                                                                                                                          |
| Subtotal . . .      |                                                |                                                                                                                            |                      | 3,900,000                                                  |                |                                              | 0.0506%                                                                                                                                          |
| Yuan<br>Haifeng . . | Head of<br>Wireless<br>Charging<br>Business    | No. 63, Caotang Road,<br>Dongkeng Town,<br>Dongguan City,<br>Guangdong Province,<br>PRC                                    | December 5,<br>2022  | 320,000                                                    | RMB29.56       | December 6, 2026 to<br>December 5, 2028      | 0.0042%                                                                                                                                          |
|                     |                                                |                                                                                                                            | May 23, 2025         | 1,500,000                                                  | RMB24.99       | May 23, 2026 to<br>May 22, 2031              | 0.0195%                                                                                                                                          |
|                     |                                                |                                                                                                                            | November 21,<br>2025 | 1,300,000                                                  | RMB24.99       | November 22, 2026<br>to November 21,<br>2031 | 0.0169%                                                                                                                                          |
| Subtotal . . .      |                                                |                                                                                                                            |                      | 3,120,000                                                  |                |                                              | 0.0406%                                                                                                                                          |
| Total . . . .       |                                                |                                                                                                                            |                      | 18,720,000                                                 |                |                                              | 0.2431%                                                                                                                                          |

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The table below sets forth the details of the options granted to the remaining grantees (being grantees who are not our Directors, members of our senior management, Other Connected Persons or the Five Grantees) under the Share Option Incentive Plans, categorized by the number of underlying A Shares, which were outstanding and exercisable as of the Latest Practicable Date:

| Category by number of underlying A Shares | Date of grant      | Number of grantees <sup>2</sup> | Number of A Shares underlying outstanding options | Exercise price | Exercise period                       | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|-------------------------------------------|--------------------|---------------------------------|---------------------------------------------------|----------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 1 to 10,000 . . . . .                     | December 3, 2021   | 102                             | 405,877                                           | RMB34.97       | May 6, 2026 to December 3, 2026       | 0.0053%                                                                                                                     |
|                                           | September 15, 2022 | 20                              | 73,243                                            | RMB34.97       | November 24, 2025 to October 19, 2026 | 0.0010%                                                                                                                     |
|                                           | December 5, 2022   | 509                             | 1,998,911                                         | RMB29.56       | May 15, 2026 to December 4, 2026      | 0.0260%                                                                                                                     |
| <b>Subtotal . . . . .</b>                 |                    | <b>631</b>                      | <b>2,478,031</b>                                  |                |                                       | <b>0.0322%</b>                                                                                                              |
| 10,001 to 20,000 . . .                    | December 3, 2021   | 20                              | 265,900                                           | RMB34.97       | May 6, 2026 to December 3, 2026       | 0.0035%                                                                                                                     |
|                                           | December 5, 2022   | 31                              | 469,900                                           | RMB29.56       | May 15, 2026 to December 4, 2026      | 0.0061%                                                                                                                     |
| <b>Subtotal . . . . .</b>                 |                    | <b>51</b>                       | <b>735,800</b>                                    |                |                                       | <b>0.0096%</b>                                                                                                              |
| 20,001 or above . . .                     | December 3, 2021   | 3                               | 144,000                                           | RMB34.97       | May 6, 2026 to December 3, 2026       | 0.0019%                                                                                                                     |
|                                           | December 5, 2022   | 24                              | 1,090,200                                         | RMB29.56       | May 15, 2026 to December 4, 2026      | 0.0142%                                                                                                                     |
| <b>Subtotal . . . . .</b>                 |                    | <b>27</b>                       | <b>1,234,200</b>                                  |                |                                       | <b>0.0160%</b>                                                                                                              |
| <b>Total . . . . .</b>                    |                    | <b>709</b>                      | <b>4,448,031</b>                                  |                |                                       | <b>0.0578%</b>                                                                                                              |

Note 2: The individual grantees may have options granted in one or more of the Share Option Incentive Plans.

The table below sets forth the details of the options granted to the remaining grantees (being grantees who are not our Directors, members of our senior management, Other Connected Persons or the Five Grantees) under the Share Option Incentive Plans, categorized by the number of underlying A Shares, which were outstanding and not yet exercisable as of the Latest Practicable Date:

| Category by number of underlying A Shares | Date of grant      | Number of grantees <sup>2</sup> | Number of A Shares underlying outstanding options | Exercise price | Exercise period                      | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|-------------------------------------------|--------------------|---------------------------------|---------------------------------------------------|----------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 1 to 20,000 . . . . .                     | December 3, 2021   | 801                             | 6,608,300                                         | RMB34.97       | December 4, 2026 to December 3, 2027 | 0.0858%                                                                                                                     |
|                                           | September 15, 2022 | 255                             | 3,318,200                                         | RMB23.97       | October 20, 2026 to October 17, 2028 | 0.0431%                                                                                                                     |

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| Category by number of underlying A Shares | Date of grant      | Number of grantees <sup>2</sup> | Number of A Shares underlying outstanding options | Exercise price | Exercise period                        | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|-------------------------------------------|--------------------|---------------------------------|---------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                                           | December 5, 2022   | 2,486                           | 26,264,240                                        | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.3410%                                                                                                                     |
|                                           | May 23, 2025       | 1,205                           | 19,135,480                                        | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.2485%                                                                                                                     |
|                                           | November 21, 2025  | 161                             | 2,267,437                                         | RMB24.99       | November 22, 2026 to November 21, 2031 | 0.0294%                                                                                                                     |
| <b>Subtotal . . . . .</b>                 |                    | <b>4,908</b>                    | <b>57,593,657</b>                                 |                |                                        | <b>0.7478%</b>                                                                                                              |
| 20,001 to 50,000 . .                      | December 3, 2021   | 27                              | 837,000                                           | RMB34.97       | December 4, 2026 to December 3, 2027   | 0.0109%                                                                                                                     |
|                                           | September 15, 2022 | 18                              | 499,200                                           | RMB34.97       | October 20, 2026 to October 17, 2028   | 0.0065%                                                                                                                     |
|                                           | December 5, 2022   | 405                             | 12,161,160                                        | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.1579%                                                                                                                     |
|                                           | May 23, 2025       | 1,263                           | 44,172,660                                        | RMB24.99       | May 23, 2026 to May 22, 2031           | 0.5735%                                                                                                                     |
|                                           | November 21, 2025  | 218                             | 6,940,063                                         | RMB24.99       | November 22, 2026 to November 21, 2031 | 0.0901%                                                                                                                     |
| <b>Subtotal . . . . .</b>                 |                    | <b>1,931</b>                    | <b>64,610,083</b>                                 |                |                                        | <b>0.8389%</b>                                                                                                              |
| 50,001 or above . .                       | December 3, 2021   | 7                               | 750,000                                           | RMB34.97       | December 4, 2026 to December 3, 2027   | 0.0097%                                                                                                                     |
|                                           | December 5, 2022   | 158                             | 15,330,600                                        | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.1991%                                                                                                                     |
|                                           | May 23, 2025       | 607                             | 77,160,900                                        | RMB24.99       | May 23, 2026 to May 22, 2031           | 1.0019%                                                                                                                     |
|                                           | November 21, 2025  | 44                              | 8,089,500                                         | RMB24.99       | November 22, 2026 to November 21, 2031 | 0.1050%                                                                                                                     |
| <b>Subtotal . . . . .</b>                 |                    | <b>816</b>                      | <b>101,331,000</b>                                |                |                                        | <b>1.3157%</b>                                                                                                              |
| <b>Total . . . . .</b>                    |                    | <b>7,655</b>                    | <b>223,534,740</b>                                |                |                                        | <b>2.9024%</b>                                                                                                              |

The table below sets forth the details of the options granted to the remaining grantees (being grantees who are not our Directors, members of our senior management, Other Connected Persons or the Five Grantees) under the Share Option Incentive Plans, categorized by the type of the Share Option Incentive Plans, which were outstanding as of the Latest Practicable Date:

| Share Option Incentive Plan          | Date of grant      | Number of grantee <sup>2</sup> | Number of A Shares underlying outstanding options | Exercise price | Exercise period                        | A Shares underlying outstanding options as a percentage of issued Shares immediately after the Global Offering <sup>1</sup> |
|--------------------------------------|--------------------|--------------------------------|---------------------------------------------------|----------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 2021 Share Option Incentive Plan . . | December 3, 2021   | 125                            | 815,777                                           | RMB34.97       | May 6, 2026 to December 3, 2026        | 0.0106%                                                                                                                     |
|                                      |                    | 835                            | 8,195,300                                         | RMB34.97       | December 4, 2026 to December 3, 2027   | 0.1064%                                                                                                                     |
|                                      | September 15, 2022 | 20                             | 73,243                                            | RMB34.97       | November 24, 2025 to October 19, 2026  | 0.0010%                                                                                                                     |
|                                      |                    | 273                            | 3,817,400                                         | RMB34.97       | October 20, 2026 to October 17, 2028   | 0.0496%                                                                                                                     |
| <b>Subtotal . . . . .</b>            |                    | <b>1,253</b>                   | <b>12,901,720</b>                                 |                |                                        | <b>0.1675%</b>                                                                                                              |
| 2022 Share Option Incentive Plan . . | December 5, 2022   | 564                            | 3,559,011                                         | RMB29.56       | May 15, 2026 to December 4, 2026       | 0.0462%                                                                                                                     |
|                                      |                    | 3,612                          | 53,756,000                                        | RMB29.56       | December 6, 2026 to December 5, 2028   | 0.6980%                                                                                                                     |
| <b>Subtotal . . . . .</b>            |                    | <b>4,176</b>                   | <b>57,315,011</b>                                 |                |                                        | <b>0.7442%</b>                                                                                                              |
| 2025 Share Option Incentive Plan . . | May 23, 2025       | 3,075                          | 140,469,040                                       | RMB24.99       | May 23, 2026 to May 22, 2031           | 1.8239%                                                                                                                     |
|                                      | November 21, 2025  | 423                            | 17,297,000                                        | RMB24.99       | November 22, 2026 to November 21, 2031 | 0.2246%                                                                                                                     |
| <b>Subtotal . . . . .</b>            |                    | <b>3,498</b>                   | <b>157,766,040</b>                                |                |                                        | <b>2.0484%</b>                                                                                                              |
| <b>Total . . . . .</b>               |                    | <b>8,927</b>                   | <b>227,982,771</b>                                |                |                                        | <b>2.9601%</b>                                                                                                              |

## E. OTHER INFORMATION

### 1. 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 in the PRC.

### 2. Litigation

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material litigation, arbitration or administrative proceedings. As of the Latest Practicable Date, we were not aware of any pending or threatened material litigation, arbitration or administrative proceedings against us.

In June 2025, we, through a subsidiary, entered into an asset transfer agreement (the “ATA”) with a subsidiary of Wingtech Technology to acquire certain land, plants and manufacturing equipment in India (collectively, the “**Indian Assets**”) for a consideration of approximately RMB311.2 million. The Indian Assets were seized and frozen by the local tax authority, materially restricting the transfer. We commenced arbitration before the Singapore International Arbitration Centre seeking termination of the ATA and recovery of the amounts paid plus interest. As of the Latest Practicable Date, the arbitration was ongoing. Please refer to “Risk Factors — Risks Relating to Our Business and Industry — Our acquisitions may not be successful and we may face difficulties in integrating acquired businesses with our existing operations” for details. Having considered (i) our Group has not integrated the India Assets into its production network or relied on such assets for manufacturing capacity, revenue generation or customer deliveries, and the dispute has not affected our day-to-day operations; and (ii) the disputed amount is not material compared to our total assets during the Track Record Period, our Directors are of the view that the arbitration relating to the ATA and the India Assets does not have any material adverse impact on our business, financial condition or results of operations.

### 3. Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$1,500,000 for acting as the sponsors for the Listing.

The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

### 4. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

### 5. Promoters

The promoters of our Company are as follows:

| No. | Name of promoters of our Company |
|-----|----------------------------------|
| 1.  | Zixin Investment                 |
| 2.  | Luxshare Limited                 |

Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters named above in connection with the Global Offering and the related transactions described in this prospectus.

### 6. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

| Name                                        | Qualifications                                                                                                                                           |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CITIC Securities (Hong Kong) Limited</b> | Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO |

| Name                                                                        | Qualifications                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Goldman Sachs (Asia) L.L.C.</b>                                          | A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities            |
| <b>China International Capital Corporation Hong Kong Securities Limited</b> | A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities |
| <b>BDO Limited</b>                                                          | Certified Public Accountants and Registered Public Interest Entity Auditor                                                                                                                                                                      |
| <b>Han Kun Law Offices</b>                                                  | Legal advisors to our Company as to PRC laws                                                                                                                                                                                                    |
| <b>Mingforever Law Firm</b>                                                 | Legal advisors to our Company as to Taiwan laws                                                                                                                                                                                                 |
| <b>Frost &amp; Sullivan (Beijing) Inc., Shanghai Branch Co.</b>             | Independent industry consultant                                                                                                                                                                                                                 |
| <b>Sheppard, Mullin, Richter &amp; Hampton LLP</b>                          | Legal advisors to our Company as to international sanctions and export control laws                                                                                                                                                             |
| <b>Lixin Certified Tax Agent Co., Ltd. Beijing Branch</b>                   | Independent transfer pricing consultant                                                                                                                                                                                                         |

Each of the experts named above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters, opinions, summaries of opinions and/or references to its name included herein in the form and context in which they respectively appear.

## 7. Interests of experts in our Company

Except as disclosed in this prospectus and save for its obligations under the Underwriting Agreements, none of the persons named in “—6. Qualifications and Consents of Experts” above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

## 8. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

## 9. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, 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 insofar as applicable.

**10. Miscellaneous**

Save as disclosed in the section headed “Financial Information” and this Appendix, in connection with the Global Offering or otherwise waived or exempted from disclosure pursuant to the waivers and exemptions disclosed in the section headed “Waivers and Exemptions”,

- (i) within the two years immediately preceding the date of this prospectus, to the best of our knowledge,
  - (a) neither our Company nor any of our Major Subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash; and
  - (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our Major Subsidiaries;
- (ii) no share or loan capital of our Company or any of the Major Subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) there are no arrangements under which future dividends are waived or agreed to be waived;
- (iv) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this prospectus; and
- (v) our Company has no outstanding convertible debt securities or debentures.

**11. Bilingual Prospectus**

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this prospectus, the English version shall prevail.



**A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix IV—Statutory and General Information —E. Other Information—6. Qualifications and Consents of Experts” to this prospectus; and
- (b) a copy of each of the material contracts referred to in “Appendix IV—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contract” to this prospectus.

**B. DOCUMENTS AVAILABLE ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and our Company ([www.luxshare-ict.com](http://www.luxshare-ict.com)) up to and including the date which is 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the Accountants’ Report from the Reporting Accountants, the text of which is set out in Appendix I to this prospectus;
- (c) the unaudited condensed consolidated interim financial information from the Reporting Accountants, the text of which is set out in Appendix IA to this prospectus;
- (d) the report from the Reporting Accountants in respect of the unaudited *pro forma* financial information, the text of which is set out in Appendix II to this prospectus;
- (e) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (f) the legal opinion issued by Han Kun Law Offices, our PRC Legal Advisors, in respect of certain general corporate matters of our Group;
- (g) the legal memorandum issued by Sheppard, Mullin, Richter & Hampton LLP, our legal advisor as to international sanctions and export control laws;
- (h) the legal opinion issued by Mingforever Law Firm, our Taiwan Legal Advisors, in respect of Taiwan Laws;
- (i) the written consents referred to in “Appendix IV—Statutory and General Information —E. Other Information—6. Qualifications and Consents of Experts” to this prospectus;
- (j) the material contracts referred to in “Appendix IV—Statutory and General Information —B. Further Information about Our Business—1. Summary of Material Contract” to this prospectus;
- (k) the service agreements and letters of appointment entered into between our Company and each of our Directors (as applicable) referred to in “Appendix IV—Statutory and General Information—C. Further Information about Directors, Chief Executive And Substantial Shareholders of Our Company—2. Particulars of Directors’ service contracts and appointment letters” to this prospectus;

- (l) the industry report issued by Frost & Sullivan, the summary of which is set forth in “Industry Overview” in this prospectus;
- (m) the transfer pricing report issued by Lixin Certified Tax Agent Co., Ltd. Beijing Branch, our transfer pricing consultant;
- (n) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation; and
- (o) the rules of the Share Option Incentive Plans.

**C. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of a full list of all grantees under the Share Option Incentive Plans will be made available for public inspection at our Company’s Hong Kong legal advisors’ office in Hong Kong at 25/F, Three 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.



Luxshare Precision Industry Co., Ltd.  
立訊精密工業股份有限公司