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Application Proof of

Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.

禮鼎半導體科技（深圳）股份有限公司

(the "Company")

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

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Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.

禮鼎半導體科技(深圳)股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	:	**HK$[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per [REDACTED]**
[REDACTED]	:	**[REDACTED]**

Sole Sponsor, Sole Sponsor-Overall Coordinator, Overall Coordinator, [REDACTED], [REDACTED] and [REDACTED]

CITIC SECURITIES

Overall Coordinator, [REDACTED], [REDACTED] and [REDACTED]

Morgan Stanley

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The [REDACTED] is expected to be determined by agreement between the [[REDACTED] (for itself and on behalf of the [REDACTED])] and the Company on the [REDACTED]. The [REDACTED] is expected to be on or around [REDACTED] (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time).

The [REDACTED] will be not more than HK$[REDACTED] per [REDACTED] and is currently expected to be not less than HK$[REDACTED] per [REDACTED] unless otherwise announced. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED], (Hong Kong time) between the [[REDACTED] (for itself and on behalf of the [REDACTED])] and the Company, the [REDACTED] will not proceed and will lapse. Applicants for the [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of HK$[REDACTED] per [REDACTED] together with brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] is less than HK$[REDACTED] per [REDACTED].

[The Overall Coordinators (for themselves and on behalf of the [REDACTED])] may, with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the [REDACTED] below that stated in this Document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, an announcement will be published on the website of our Company at www.leadingics.com and on the website of the Stock Exchange at www.hkexnews.hk and the [REDACTED] will be canceled and [REDACTED] at the [REDACTED] and/or the [REDACTED] and the requirements under [REDACTED] of the Listing Rules (which include the [REDACTED] of a supplemental or a new [REDACTED] (as appropriate)), as soon as practicable following the decision to make such [REDACTED], and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED].

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by [the Overall Coordinators (for themselves and on behalf of the [REDACTED])] if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See "[[REDACTED] — [REDACTED] — [REDACTED] — [REDACTED]]" in this Document for more details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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SUMMARY

OVERVIEW

Who We Are

We are an IC substrate provider powered by intelligent manufacturing, focused on the R&D, manufacture and sale of FCBGA, FCCSP, WBCSP and module substrates. Our mission is to advance technology, promote environmental sustainability, and benefit humanity. Our vision is to develop the advanced IC substrate industry and become a global industry leader.

An IC substrate is a specialized, high-density interconnection platform used in semiconductor packaging, serving as a critical carrier that provides electrical connectivity, mechanical support and thermal management between the silicon die and the printed circuit board. According to Frost & Sullivan, measured by 2025 revenue, we ranked third among IC substrate manufacturers located in Chinese Mainland, up from sixth in 2023, and third among Chinese Mainland manufacturers of each of FCBGA and FCCSP substrates. Among the top 20 global IC substrate suppliers by IC substrate revenue in 2025, we ranked first in terms of revenue CAGR from 2023 to 2025. Our revenue increased rapidly from RMB1,182.9 million in 2023 to RMB2,055.5 million in 2024 and RMB2,828.6 million in 2025, representing a CAGR of 54.6%. Our revenue further increased to RMB923.9 million in the three months ended March 31, 2026, representing a 70.9% growth from the same period in 2025.

As a technology leader in the IC substrate industry, we strategically focus on FCBGA substrates as our future growth driver, and our main products include FCCSP, WBCSP and module substrates. In 2025, our full-load designed capacity[1] reached 3,360 thousand panels for FCBGA substrates in Shenzhen site, as well as 2,419 thousand panels for FCCSP, WBCSP and module substrates in Qinhuangdao site.

The following chart sets out our key business achievements:

Note: All industry rankings contained in the chart above are according to Frost & Sullivan.

(1) Based on actual-installed capacity in 2025, according to Frost & Sullivan.

(2) All CAGRs are calculated based on the period from 2023 to 2025.

[1] Based on bottleneck stage in the production process. For FCBGA products, we view the circuit build-up (ABF build-up) stage as the bottleneck and for FCCSP, WBCSP and module products, we view surface treatment output as the bottleneck. Full-load designed capacity represents the designed maximum capacity of the factory, calculated based on the total amount of equipment that can be placed within the overall factory layout. Production time is calculated on the basis of 28 full production days per month after routine maintenance during the period.

Our Market Opportunities

Increasing demand for computing power in the AI era is elevating the importance of IC substrates, which enable high-speed signal transmission and effective heat dissipation to support stable, high-performance chip operation. According to Frost & Sullivan, from 2025 to 2030, the global IC substrate market is expected to reach US$30.3 billion, representing a CAGR of 15.3%. FCBGA substrate is expected to be the fastest-growing segment within the IC substrate market. From 2025 to 2030, the global market for FCBGA substrates is expected to reach US$19.2 billion, representing a CAGR of 19.7%. In addition, the global FCBGA demand-supply ratio is expected to rise from 94.7% in 2025 to 104.7% in 2026, surpassing 100% to enter a state of supply shortage, with supply shortage gap continuing to widen thereafter and reaching 125.6% in 2030. Offshore markets (i.e., markets outside of the Chinese Mainland) account for a substantial majority of global demand for FCBGA substrates and have exhibited faster growth than the Chinese Mainland. According to Frost & Sullivan, the FCBGA substrate offshore market reached US$6.4 billion in 2025, representing approximately 82% of the global FCBGA substrate market, and is expected to grow at a CAGR of 20.9% from 2025 to 2030, significantly outpacing the 13.3% CAGR projected for the Chinese Mainland over the same period. As an emerging leader in the IC substrate industry in the Chinese Mainland with a strategic focus on FCBGA substrates, we believe that we are well-positioned to capture these significant market opportunities.

OUR PRODUCTS

Our main products are IC substrates. IC substrate is a specialized, high-density interconnection platform used in semiconductor packaging, serving as a critical carrier that provides electrical connectivity, mechanical support and thermal management between the silicon die and the printed circuit board. IC substrates typically require fine circuitry and multi-layer structures to meet customers' requirements for electrical performance, signal integrity, and thermal management. During the Track Record Period, our IC substrates include FCBGA, FCCSP, WBCSP and module substrates. The following table sets forth a breakdown of our revenue by product type for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
IC Substrates										
FCBGA	128,187	10.8	538,359	26.2	966,610	34.2	181,411	33.6	371,534	40.2
FCCSP	690,680	58.4	1,024,964	49.9	1,102,155	39.0	234,867	43.5	310,718	33.6
WBCSP and module	296,509	25.1	398,612	19.4	606,974	21.5	98,547	18.2	183,048	19.8
Sale of scrap materials and Others[(1)]	67,486	5.7	93,587	4.5	152,883	5.3	25,701	4.7	58,589	6.4
Total	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100.0**	**923,889**	**100.0**

Note:

(1) Others primarily include revenue from rental income.

Applications of Our Products

Our IC substrates can be categorized by application into smart device, AI and HPC, memory, automotive and robotics, and network communications. The following table sets forth a breakdown of revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
IC Substrates										
Smart Device	809,909	68.5	1,232,480	60.0	1,362,350	48.2	273,742	50.6	401,321	43.4
AI and HPC	26,894	2.3	361,052	17.6	716,217	25.3	130,200	24.1	300,904	32.6
Memory[(1)]	175,309	14.8	194,897	9.5	352,205	12.5	60,357	11.2	102,628	11.1
Automotive and Robotics	22,203	1.9	89,039	4.3	79,235	2.8	7,158	1.3	36,728	4.0
Network Communications	81,061	6.9	84,467	4.1	165,732	5.9	43,368	8.0	23,719	2.6
Sale of scrap materials and Others[(2)]	67,486	5.6	93,587	4.5	152,883	5.3	25,701	4.8	58,589	6.3
Total	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100.0**	**923,889**	**100.0**

Notes:

(1) Memory is presented separately as it is utilized across application areas other than those set forth in this table.

(2) Others primarily include revenue from rental income.

OUR STRENGTHS

We believe that the following strengths contribute to our success: (i) emerging leader in the IC substrate industry in Chinese Mainland with value proposition attracting global industry-leading customers; (ii) rapid capacity ramp-up to capture the global AI opportunity and expand our leading AI customer base; (iii) continuous R&D, technology enhancement, and IC substrate upgrades to build strong technical barriers; (iv) world-class intelligent manufacturing capabilities adopting SECS communications protocol; (v) stable and resilient supply chain, efficient delivery capabilities, and consistent product quality; and (vi) experienced management team and innovation-driven corporate culture supporting sustained growth.

OUR STRATEGIES

We are implementing the following strategies: (i) broaden our global leading customer base; (ii) rapidly ramp up capacity and continue to enhance intelligent manufacturing; (iii) continue to focus on R&D in IC substrates, accelerate technology iteration and strengthen our market leadership; and (iv) continue to attract talent and build a stable international team.

RESEARCH AND DEVELOPMENT AND TECHNOLOGY

Our commitment to research and development is critical to our long-term growth. As of the Latest Practicable Date, our R&D team comprised 626 employees. Our R&D team possesses industry experience in IC substrate technology, product innovation, materials science and advanced manufacturing processes. Our core technologies enable us to develop and customize high-performance IC substrates to meet our customers' evolving requirements across different application scenarios. We promote innovation in product design, material application, process technology and equipment selection to enhance product quality. See "Business — Research and Development" for more details.

SALES AND MARKETING

During the Track Record Period, we primarily sell our products through direct sales, such as direct orders from OSAT, IC design and IDM companies. During the Track Record Period, our products were sold in both domestic and international markets. The following table sets forth our revenue by sales region during the Track Record Period:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000* *(Unaudited)*	*(%)*	*RMB'000*	*(%)*
Chinese Mainland	429,529	36.3	1,049,891	51.1	1,603,052	56.7	309,324	57.2	526,084	56.9
Offshore										
Chinese Taiwan	714,385	60.4	912,342	44.4	1,079,432	38.2	211,121	39.1	340,200	36.8
Others[(1)]	38,948	3.3	93,289	4.5	146,138	5.1	20,081	3.7	57,605	6.3
Total	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100.0**	**923,889**	**100.0**

Note:

(1) Others primarily include South Korea, Singapore and United States.

OUR PRODUCTION

Since we incorporated substantial capacity expansion headroom in our initial plant design, our utilization rates measured as a percentage of our full-load designed capacity tend to be low during the first few years after commencement of operations. We install equipment in our production facilities in stages, and we plan our actual production on a monthly basis based on the forecasted demand of our customers and the anticipated market trends. We continuously monitor our production planning based on

the rolling forecasts of customer orders. The following table sets forth our production capacity, actual output and utilization rate for the periods indicated:

	Year ended December 31,						Three months ended March 31,	
	2023		2024		2025		2026	
	Panels[4] (thousands)	*% of (A)*	*Panels[4] (thousands)*	*% of (A)*	*Panels[4] (thousands)*	*% of (A)*	*Panels[4] (thousands)*	*% of (A)*
Shenzhen Plant 1								
(A) Full-load designed capacity[1][2]	3,360	100.0%	3,360	100.0%	3,360	100.0%	840	100.0%
(B) Actual-installed capacity[1][3]	856	25.5%	1,050	31.3%	1,050	31.3%	302	36.0%
(C) Actual output[1]	116	3.5%	446	13.3%	727	21.6%	280	33.3%
Qinhuangdao Plant 1								
(A) Full-load designed capacity[1][2]	1,411	100.0%	1,411	100.0%	1,411	100.0%	353	100.0%
(B) Actual-installed capacity[1][3]	1,243	88.1%	1,263	89.5%	1,324	93.8%	344	97.5%
(C) Actual output[1]	927	65.7%	972	68.9%	1,200	85.0%	339	96.0%
Qinhuangdao Plant 2								
(A) Full-load designed capacity[1][2]	1,008	100.0%	1,008	100.0%	1,008	100.0%	252	100.0%
(B) Actual-installed capacity[1][3]	425	42.2%	492	48.8%	640	63.5%	180	71.4%
(C) Actual output[1]	221	21.9%	357	35.4%	526	52.2%	166	65.9%

Notes:

(1) Based on bottleneck stage in the production process. For FCBGA products, we view the circuit build-up (ABF build-up) stage as the bottleneck and for FCCSP, WBCSP and module products, we view surface treatment output as the bottleneck.

(2) Full-load designed capacity represents the designed maximum capacity of the factory, calculated based on the total amount of equipment that can be placed within the overall factory layout. Production time is calculated on the basis of 28 full production days per month after routine maintenance during the period.

(3) Actual installed capacity represents the factory's actual maximum capacity during the period, calculated based on the total amount of equipment actually installed at the factory during the period. Production time is calculated on the basis of 28 full production days per month after routine maintenance during the period, adjusted for annual shutdowns and line stoppages based on actual operational conditions.

(4) Production volume is measured in working panels, which is the standard unit used in production. Prior to shipment, panels are cut to customer-specified sizes.

We intend to further increase our overall production capacity progressively to satisfy market demand by expanding our existing production facilities and constructing new production facilities. See "Business — Production" for more details.

CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily consisted of OSAT, IC design and IDM companies. In 2023, 2024, 2025 and the three months ended March 31, 2026, our revenue generated from our five largest customers was RMB962.6 million, RMB1,668.2 million, RMB2,165.9 million, and RMB628.8 million, representing 81.4%, 81.2%, 76.6% and 68.1% of our total revenue, respectively. In addition, revenues generated from our largest customer accounted for 37.8%, 38.6%, 36.4% and 29.0% of our total revenues in the same periods, respectively. Except for Retained Zhen Ding Group, all of our five largest customers during the Track Record Period were Independent Third Parties. See "Business — Our Customers" for more details.

During the Track Record Period, purchases from our five largest suppliers were RMB299.1 million, RMB408.2 million, RMB712.0 million, and RMB275.3 million, representing 35.0%, 34.9%, 41.7%, and 46.6% of our total purchases in 2023, 2024, 2025 and three months ended March 31, 2026, respectively. In addition, purchases from our largest supplier accounted for 11.5%, 10.4%, 16.6% and 20.6% of our total purchases in the same periods, respectively. All of our five largest suppliers were Independent Third Parties during the Track Record Period. None of our Directors and their respective associates or our Shareholders who hold more than 5% of our total issued Shares had any interest in our five largest suppliers during the Track Record Period. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period. See "Business — Our Suppliers — Our Major Suppliers" for more details.

COMPETITION

We operate in a competitive and technology-intensive industry, where customers demand more advanced and higher-reliability IC substrates. According to Frost & Sullivan, the IC substrate market in Chinese Mainland is relatively concentrated and competitive, with the top three manufacturers accounting for 37.9% of the market in 2025. FCBGA substrates exhibit a higher level of industry concentration, with the top three FCBGA substrate manufacturers in Chinese Mainland collectively accounting for 58.7% of the market share. The global IC substrate market is also relatively concentrated and competitive, with the top three manufacturers accounting for 37.4% of the market in 2025.

We compete with other Chinese Mainland IC substrate manufacturers mainly on technology and process requirements and technical experiences. We compete in the international market mainly based on our scale-up capability, technology and process requirements, customer qualification and relationships, supply chain management, experienced technical and management teams and intelligent manufacturing capabilities. See "Industry Overview" for more details.

BUSINESS SUSTAINABILITY AND PROFITABILITY

We operate in a rapidly growing AI market where the production capacity often limits the growth potential of a company in the supply chain. Against this backdrop, we strategically anticipated the future needs for capacity, and incorporated substantial capacity expansion headroom in our initial plant design, coupled with a phased equipment installation approach to quickly ramp-up our capacity when our actual orders grow. Due to this strategy, we incurred substantial upfront capital expenditure and thus depreciation expenses while our revenue was still relatively small. This resulted in a gross loss of RMB504.5 million in 2023 and RMB105.5 million in 2024, and net losses of RMB753.1 million, RMB405.1 million and RMB328.7 million in 2023, 2024 and 2025, respectively.

This strategy contributed to our success in grasping the opportunity of AI market growth during the Track Record Period. Our total revenue increased rapidly from RMB1,182.9 million in 2023 to RMB2,055.5 million in 2024 and RMB2,828.6 million in 2025, representing a CAGR of 54.6%. Our revenue increased to RMB923.9 million in the three months ended March 31, 2026, representing a 70.9% growth from the same period in 2025. Revenue from products for AI and HPC applications surged from RMB26.9 million in 2023 to RMB716.2 million in 2025, representing a CAGR of 416.1%. Given the substantial lead time for constructing new production plants, this upfront investment strategy gave us substantial competitive advantage against our major competitors. According to Frost & Sullivan, measured by 2025 revenue, we ranked third among IC substrate manufacturers located in Chinese Mainland, up from sixth in 2023. Among the top 20 global IC substrate suppliers by IC substrate revenue in 2025, we ranked first in terms of revenue CAGR from 2023 to 2025.

As our capacity utilization improved over time, we achieved a clear inflection point, turning to gross profit of RMB100.1 million in 2025, and we had net profit of RMB50.1 million for the three months ended March 31, 2026. We expect to continue to benefit from our substantial upfront capital expenditures to achieve sustainable growth with positive gross margin. See "Business — Business Sustainability and Profitability" for more details.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. These risks include, among others, the following: (i) our products are widely used by customers of various industries and sectors. Supply-demand dynamics and other macro-economic factors that affect these industries and sectors where our products are used may in turn impact our business, financial condition and results of operations; (ii) we face intense competition and expect competition to increase in the future. If we fail to compete effectively, our revenue growth and results of operations will be materially and adversely affected; (iii) if we are unable to appropriately address the technological development and advancement in the industries and sectors where our products are used, our business, financial condition and results of operations could be materially and adversely affected; (iv) we operate in a highly cyclical industry which can suffer from periodic downturns; (v) supply chain shortages and interruptions, fluctuations in prices and our relationship with suppliers could adversely affect our results of operations; (vi) geopolitical tensions and volatile global economic conditions may put downward pressure on demand for our products and services, as well as our business, financial

condition, and results of operations; (vii) we have been and intend to continue investing significantly in R&D activities, and the development cycles of our products can be long, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve; (viii) we may be subject to the risks associated with international trade restrictions, including sanctions and export controls, and our reputation, business, results of operations and financial condition could be adversely affected. See "Risk Factors" for more details.

SUMMARY OF HISTORICAL AND FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information in the Accountant's Report set out in Appendix I to this Document, including the accompanying notes and the information set out in "Financial Information" in this Document.

Summary of Consolidated Statements of Profit or Loss

The following table sets out key items of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000* *(Unaudited)*	*(%)*	*RMB'000*	*(%)*
Revenue	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100.0**	**923,889**	**100.0**
Cost of sales	(1,687,407)	(142.7)	(2,160,992)	(105.1)	(2,728,559)	(96.5)	(574,231)	(106.2)	(777,290)	(84.1)
Gross (loss)/profit	(504,545)	(42.7)	(105,470)	(5.1)	100,063	3.5	(33,705)	(6.2)	146,599	15.9
Selling and marketing expenses	(21,460)	(1.8)	(30,927)	(1.5)	(28,222)	(1.0)	(6,536)	(1.2)	(6,836)	(0.7)
General and administrative expenses	(95,142)	(8.0)	(99,103)	(4.8)	(104,311)	(3.7)	(27,697)	(5.1)	(24,248)	(2.6)
Research and development expenses	(123,389)	(10.4)	(153,814)	(7.5)	(155,821)	(5.5)	(36,820)	(6.8)	(39,217)	(4.2)
Net (provision for)/reversal of impairment losses on financial assets	(501)	0.0	(798)	0.0	(596)	0.0	245	0.0	(321)	0.0
Other income	18,183	1.5	32,006	1.6	18,315	0.6	5,610	1.0	15,137	1.6
Other gains/(losses) — net	30,383	2.6	29,259	1.4	21,895	0.8	(3,698)	(0.7)	(12,971)	(1.4)
Operating (loss)/profit	(696,471)	(58.9)	(328,847)	(16.0)	(148,677)	(5.3)	(102,601)	(19.0)	78,143	8.5
Finance income	12,626	1.1	8,997	0.4	7,582	0.3	2,198	0.4	1,261	0.1
Finance costs	(155,790)	(13.2)	(206,513)	(10.0)	(210,204)	(7.4)	(56,348)	(10.4)	(23,027)	(2.5)
Finance costs — net	(143,164)	(12.1)	(197,516)	(9.6)	(202,622)	(7.2)	(54,150)	(10.0)	(21,766)	(2.4)
(Loss)/profit before income tax	(839,635)	(71.0)	(526,363)	(25.6)	(351,299)	(12.4)	(156,751)	(29.0)	56,377	6.1
Income tax credit/(expense)	86,538	7.3	121,291	5.9	22,630	0.8	35,201	6.5	(6,264)	(0.7)
(Loss)/profit for the year/period	**(753,097)**	**(63.7)**	**(405,072)**	**(19.7)**	**(328,669)**	**(11.6)**	**(121,550)**	**(22.5)**	**50,113**	**5.4**

Non-IFRS Measures

The following table sets forth a reconciliation of our EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) to loss for the period in respect of the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Loss)/profit for the period	(753,097)	(405,072)	(328,669)	(121,550)	50,113
Adjusted:					
Income tax (credit)/expense	(86,538)	(121,291)	(22,630)	(35,201)	6,264
Finance costs - net	143,164	197,516	202,622	54,150	21,766
Depreciation of property, plant and equipment	543,545	665,597	742,157	178,353	197,118
Depreciation of right-of-use assets	3,209	4,423	8,437	1,947	2,244
Amortization of intangible assets	25,572	30,649	25,918	6,973	2,887
EBITDA (non-IFRS measure)	**(124,145)**	**371,822**	**627,835**	**84,672**	**280,392**
Adjusted:					
Share-based compensation expenses	5,534	7,510	10,572	1,861	2,769
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted EBITDA (non-IFRS measure)	**(118,611)**	**379,332**	**638,407**	**86,533**	**285,796**

Gross Loss/Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross loss/profit and gross margin for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross (loss)/profit	Gross Margin	Gross (loss)/profit	Gross Margin	Gross (loss)/profit	Gross Margin	Gross (loss)/profit	Gross Margin	Gross (loss)/profit	Gross Margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
IC Substrates										
FCBGA	(409,322)	(319.3)	(143,188)	(26.6)	(74,351)	(7.7)	(48,895)	(27.0)	27,715	7.5
FCCSP	(30,703)	(4.4)	159,414	15.6	229,057	20.8	39,458	16.8	112,055	36.1
WBCSP and module	(65,393)	(22.1)	(122,845)	(30.8)	(56,962)	(9.4)	(24,807)	(25.2)	6,227	3.4
Sale of scrap materials and Others[(1)]	873	1.3	1,149	1.2	2,319	1.5	539	2.1	602	1.0
Total	**(504,545)**	**(42.7)**	**(105,470)**	**(5.1)**	**100,063**	**3.5**	**(33,705)**	**(6.2)**	**146,599**	**15.9**

Note:

(1) We generate revenue from sales of scrap materials, with the corresponding cost of sales equal to such revenue. Accordingly, no gross profit is recognized from scrap material sales. Others primarily include revenue from rental income. The current status gross profit and gross margin of this line item mainly reflect those from rental income.

See "Financial Information — Principal Components of Consolidated Statements of Profit or Loss — Gross Loss/Profit and Gross Margin" for more details.

Summary of Consolidated Statements of Financial Positions

The following table sets out our net current liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current assets					
Inventories	221,835	323,665	515,329	654,571	716,028
Trade receivables	348,065	579,118	798,693	883,824	1,057,784
Prepayments, other receivables and other assets	107,660	85,280	71,563	53,384	69,202
Term bank deposit with initial terms over three months	—	22,000	—	—	—
Cash and cash equivalents	408,386	660,113	298,199	492,416	1,320,300
Total current assets	**1,085,946**	**1,670,176**	**1,683,784**	**2,084,195**	**3,163,314**
Current liabilities					
Borrowings	1,121,823	2,590,424	2,510,265	2,735,705	2,916,844
Trade and other payables	1,421,657	1,224,972	1,167,010	1,167,287	1,149,675
Contract liabilities	7,639	25,239	23,907	29,570	100,082
Income tax payable	—	3,877	6,212	9,855	4,003
Lease liabilities-current	443	350	99	24	—
Total current liabilities	**2,551,562**	**3,844,862**	**3,707,493**	**3,942,441**	**4,170,604**
Net current liabilities	**(1,465,616)**	**(2,174,686)**	**(2,023,709)**	**(1,858,246)**	**(1,007,290)**

See "Financial Information — Selected Balance Sheet Items — Net Current Liabilities" for more details.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash generated from operating activities	570,083	144,603	194,793	82,765	120,024
Net cash used in investing activities	(2,661,408)	(1,055,561)	(428,055)	(206,699)	(127,678)
Net cash generated from/(used in) financing activities	2,228,731	1,161,029	(124,801)	86,055	205,094
Net increase/(decrease) in cash and cash equivalents	137,406	250,071	(358,063)	(37,879)	197,440
Cash and cash equivalents at beginning of the period	269,226	408,386	660,113	660,113	298,199
Foreign exchange impact on cash and cash equivalents	1,754	1,656	(3,851)	(517)	(3,223)
Cash and cash equivalents at end of the period	408,386	660,113	298,199	621,717	492,416

See "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis" for more details.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Revenue growth[(1)]	N/A	73.8%	37.6%	70.9%
Net profit/(loss) margin	(63.7)%	(19.7)%	(11.6)%	5.4%
EBITDA margin (non-IFRS measure)[(2)]	(10.5)%	18.1%	22.2%	30.3%
Adjusted EBITDA margin (non-IFRS measure)[(3)]	(10.0)%	18.5%	22.6%	30.9%

Notes:

(1) The revenue growth for the three months ended March 31, 2026 was calculated by comparing revenue for the three months ended March 31, 2025 and 2026.

(2) Calculated by dividing EBITDA (non-IFRS measure) by revenue for the period multiplied by 100%. See "Financial Information — Summary of our Consolidated Statements of Profit or Loss — Non-IFRS Measures."

(3) Calculated by dividing adjusted EBITDA (non-IFRS measure) by revenue for the period multiplied by 100%. See "Financial Information — Summary of our Consolidated Statements of Profit or Loss — Non-IFRS Measures."

USE OF [REDACTED]

We estimate the [REDACTED] from the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses paid and payable by us in connection with the [REDACTED], will be approximately HK$[REDACTED], assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per [REDACTED]) and that the [REDACTED] is not exercised.

We currently intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts as follows:

(1) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) will be used to expand our FCBGA production capacity. The [REDACTED] to be used to expand our FCBGA capacity will be applied as follows:

  (i) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) will be used for the construction of production facilities and related electrical and mechanical installations. In particular,

    (A) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the construction of production facilities.

    (B) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the related electrical and mechanical installations;

  (ii) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) will be used for the purchase of equipment used in the FCBGA production process. In particular,

    (A) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the inner-layer traces and drilling stages.

    (B) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the outer-layer traces stage. In particular,

      (I) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of laser drilling equipment.

      (II) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment used in the outer-layer trace formation and electroplating processes. In particular,

        (a) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment used for the expansion and automation of outer-layer trace production.

        (b) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment used for the outer-layer trace electroplating process.

    (C) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the solder mask.

    (D) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the sawing and inspection stage.

(2) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) will be used for working capital and general corporate purposes.

See "Future Plans and Use of [REDACTED]" for more details.

DIVIDENDS AND DIVIDEND POLICY

No dividends have been paid or declared by our Company during the Track Record Period. We currently expect to retain all future earnings for use in the operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board and subject to our Articles of Association, applicable PRC Company Law, approval by our Shareholders and will depend on a number of factors, including our results of operations, financial conditions, cash requirements and availability, and other factors as the Board may deem relevant at such time. As confirmed by our PRC Legal Advisors, any future after-tax profits that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our after-tax profits to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient after-tax profits to our statutory common reserve fund as described above.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Zhen Ding, through its subsidiaries, namely, Monterey Park, Coppertone, Mayco, Pacific Fair and Avary Holding, will directly and indirectly control [REDACTED]% of the total issued share capital of our Company. Accordingly, Zhen Ding, Monterey Park, Coppertone, Mayco, Pacific Fair and Avary Holding constitute our group of Controlling Shareholders. See "History, Development and Corporate Structure — Our Corporate Structure" and "Relationship with Our Controlling Shareholders" for more details of our corporate structure and the shareholding of our Controlling Shareholders.

We are principally engaged in the research and development, production and sales of IC substrates. On the other hand, the Retained Zhen Ding Group is principally engaged in (i) the research and development, production and sales of printed circuit board products and the offering of related integrated solutions spanning the research and development, design, manufacturing and sale of printed circuit board products; (ii) the production of IC substrates for our Group as an OEM; and (iii) other non-principal businesses that do not compete with our principal business, such as environmental protection and energy conservation services. After the [REDACTED], except for the exclusive supply arrangement between our Group and Brai Technology as set out in the Non-Competition Undertaking, the Retained Zhen Ding Group will not engage in any business which competes or is likely to compete with our business.

During the Track Record Period, we had entered into a number of transactions with the Retained Zhen Ding Group, which (except for those set out in the "Connected Transactions") we expect to cease prior to the [REDACTED]. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from our sales to Retained Zhen Ding Group amounted to RMB279.3 million, RMB1.5 million, RMB69.0 million and RMB46.8 million, respectively, representing 23.6%, 0.1%, 2.4% and 5.1% of our total revenue for the respective years or period. During the same periods, our procurement from the Retained Zhen Ding Group amounted to RMB96.8 million, RMB94.6 million, RMB97.4 million and RMB25.6 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 3.4%, 5.0%, 4.1% and 3.3% of our total purchase in the respective years or period. See "Relationship with our Controlling Shareholders — Independence from our Controlling Shareholders — Operational Independence" for more details.

We have entered into, and are expected to continue after the [REDACTED], certain transactions which would constitute continuing connected transactions of our Company under the Listing Rules upon the [REDACTED]. Details of such continuing connected transactions and the waivers are set out in "Connected Transactions".

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be HK$[REDACTED], representing [REDACTED] of the [REDACTED] from the [REDACTED]) (being the mid-point of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per [REDACTED]), assuming no [REDACTED] are [REDACTED] pursuant to the [REDACTED]. The [REDACTED] consist of (1) [REDACTED], of approximately HK$[REDACTED]; and (2) [REDACTED] expenses of approximately HK$[REDACTED], comprising (i) fees and expenses of the Sole Sponsor, legal advisors and reporting accountant of approximately HK$[REDACTED], and (ii) other fees and expenses of approximately HK$[REDACTED]. Among the total [REDACTED], approximately HK$[REDACTED] is expected to be charged to our consolidated statements of comprehensive income, and approximately HK$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. We incurred HK$[REDACTED] of [REDACTED] during the Track Record Period and the remaining HK$[REDACTED] of [REDACTED] shall be incurred after the Track Record Period. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED]

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we are expanding production capacity and constructing the production facilities in our Shenzhen site for FCBGA substrates. See "Business — Our Growth Strategies" and "Future Plans and Use of [REDACTED]" for more details. In addition, we repaid our loans from our related parties in an aggregate amount of RMB1,407.8 million on June 12, 2026.

Our Directors confirm that as of the date of this Document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since March 31, 2026, the end of the period reported on the Accountant's Report included in Appendix I to this Document; and there has been no event since March 31, 2026 which would materially affect the information presented in the Accountant's Report set out in Appendix I to this Document.

In this Document, unless the context otherwise requires, the following expressions shall have the following meanings.

"Accountant's Report"	the report of the Accountant as set out in "Appendix I — Accountant's Report" of this Document
"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
"Articles" or "Articles of Association"	the Articles of Association of our Company with effect from the [REDACTED], a summary of which is set out in Appendix IV to this Document
"Audit Committee"	the audit committee of our Company, the details of which are described in "Corporate Information" in this Document
"Authorized Representatives"	the authorized representatives of our Company appointed for the purposes of the Listing Rules
"Avary Holding"	Avary Holding (Shenzhen) Co., Ltd. (鵬鼎控股(深圳)股份有限公司) (formerly known as Fukui Precision Components (Shenzhen) Co., Ltd. (富葵精密組件(深圳)有限公司)), a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002938), one of our Controlling Shareholders
"Avary Group"	Avary Holding and its subsidiaries
"BIS"	the Bureau of Industry and Security of the U.S. Department of Commerce
"Board" or "Board of Directors"	the board of directors of our Company
"Brai Parent"	Leading Interconnect Semiconductor Technology Limited (Cayman), a company incorporated in the Cayman Islands with limited liability, a wholly-owned subsidiary of Monterey Park, one of our Controlling Shareholders, and therefore a connected person of our Company; as of the date of this Document, Brai Parent has already applied to change its name to BRAI Technology Limited (Cayman)
"Brai Technology"	BRAI Technology Co., Ltd. (佰鼎科技股份有限公司), a company incorporated in Chinese Taiwan with limited liability, a wholly owned subsidiary of Zhen Ding, one of our Controlling Shareholders, and therefore a connected person of our Company

"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"CAC"	the Cyberspace Administration of China (國家互聯網信息辦公室)

[REDACTED]

"China" or the "PRC"	the People's Republic of China (including Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China, and Chinese Taiwan), which for the purpose of this Document and for jurisdiction reference only, refer to Chinese Mainland
"Chinese Mainland"	mainland of China
"COINS Act"	the U.S. Comprehensive Outbound Investment National Security Act of 2025
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (禮鼎半導體科技(深圳)股份有限公司), established as a limited liability company under the laws of the PRC on August 26, 2019 and subsequently converted into a joint stock company with limited liability on May 18, 2026
"Compliance Advisor"	Altus Capital Limited
"Comprehensively Sanctioned Countries"	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction, for the purpose of this Document, Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions and Zaporizhzhia and Kherson regions

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Zhen Ding, Monterey Park, Coppertone, Mayco, Pacific Fair and Avary Holding
"Coppertone"	Coppertone Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability, one of our Controlling Shareholders
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"C&W"	Cushman & Wakefield
"DEFRA"	Department for Environment, Food & Rural Affairs of the United Kingdom
"Director(s)"	the director(s) of our Company
"Domestic Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"EAR"	United States Export Administration Regulations, 15 C.F.R. Parts 730–774
"Employee Shareholding Platforms"	Keble Limited, Shenzhen Junhe, Shenzhen Ruijin, Shenzhen Jinshuo, Shenzhen Lekai, Girton Limited, Shenzhen Junde, Shenzhen Jinjia, Shenzhen Fuyi, Shenzhen Jinrong and Shenzhen Jinquan
"Entity List"	the list maintained by the BIS identifying foreign persons subject to specified U.S. export control restrictions

[REDACTED]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an industry consultant
"Frost & Sullivan Report"	the report prepared by Frost & Sullivan

"GAC"	the General Administration of Customs of the PRC (中華人民共和國海關總署)

[REDACTED]

"Group," "our Group," "the Group," "we," "us" or "our"	the Company and its subsidiaries or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide"	Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"HNTE"	high and new technology enterprise
"H Share(s)"	overseas [REDACTED] foreign share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be [REDACTED] and [REDACTED] and for which [REDACTED]
"H Shareholder(s)"	holders of our H Share(s)

[REDACTED]

"HK$" or "HKD" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKICPA"	the Hong Kong Institute of Certified Public Accountants
"HKIS"	the Hong Kong Institute of Surveyors

[REDACTED]

[REDACTED]

"Hong Kong", "HKSAR" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China

[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

[REDACTED]

"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company

[REDACTED]

[REDACTED]

"International Sanctions"	all applicable laws and regulations relating to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, for the purpose of this Document, those adopted, administered and enforced by the U.S. Government, the EU and its member states, the United Kingdom, UN or Government of Australia
"International Sanctions Legal Advisor"	Hogan Lovells International LLP, our legal advisor as to International Sanctions in connection with the [REDACTED]

[REDACTED]

"Latest Practicable Date"	June 24, 2026, being the latest practicable date for ascertaining certain information in this Document before its publication
"Leading Interconnect Hong Kong"	Leading Interconnect International Limited (formerly known as Henley International Limited), a limited company incorporated in Hong Kong, and a wholly-owned subsidiary of our Company
"Leading Qinhuangdao"	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. (禮鼎半導體科技秦皇島有限公司), a company established under the laws of the PRC with limited liability, and a wholly-owned subsidiary of our Company
"Liandao Pengxiang"	Shenzhen Liandao Pengxiang Investment Partnership (Limited Partnership) (深圳市聯道鵬翔投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 30, 2022

[REDACTED]

"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
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Mayco"	Mayco Industrial Limited, a company incorporated in Hong Kong with limited liability, one of our Controlling Shareholders
"MEE"	the Ministry of Ecology and Environment of the PRC (中華人民共和國生態環境部)
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	the Ministry of Finance of the People's Republic of China (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)
"Monterey Park"	Monterey Park Finance Limited, a company incorporated in the British Virgin Islands with limited liability, one of our Controlling Shareholders
"NDRC"	the 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 our Company, the details of which are described in "Corporate Information" in this Document
"Non-Competition Undertaking"	a non-competition undertaking dated [●] entered into by Zhen Ding as covenantor in favor of our Company, details of which are set out in the section headed "Relationship with Our Controlling Shareholders — Non-Competition Undertaking" in this Document

[REDACTED]

"OISP"	the U.S. outbound investment security program implemented by the Treasury under the Outbound Investment Rule
"Ordinary Share(s)" or "Share(s)"	ordinary share(s) in the share capital of the Company
"Outbound Investment Rule"	the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern issued by U.S. Department of the Treasury on October 28, 2024, as amended, modified and/or otherwise supplemented from time to time

[REDACTED]

"Overall Coordinators"	has the meaning given to it in the Listing Rules and, unless the context requires otherwise, refers to the overall coordinators named in "Directors and Parties Involved in the [REDACTED]" in this Document
"Pacific Fair"	Pacific Fair International Limited, a company incorporated in Hong Kong with limited liability, one of our Controlling Shareholders
"PBOC"	People's Bank of China (中國人民銀行)
"PRC Company Law"	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
"PRC Legal Advisor"	King & Wood, the PRC legal advisor to our Company

"PRC IP Legal Advisor"	King & Wood, the legal advisor to our Company as to PRC intellectual property law
"Pre-[REDACTED] Investments"	the pre-[REDACTED] investments in our Company undertaken by the Pre-[REDACTED] Investors, details of which are set out in "History, Development and Corporate Structure — Pre-[REDACTED] Investments" in this Document
"Pre-[REDACTED] Investors"	the investor(s) who participated in our Pre-[REDACTED] Investments, details of which are set out in "History, Development and Corporate Structure — Pre-[REDACTED] Investments" in this Document

[REDACTED]

"Qiding Technology"	Qiding Technology Qinhuangdao Co., Ltd. (碁鼎科技秦皇島有限公司), a company established under the laws of the PRC with limited liability, and a former wholly-owned subsidiary of our Company which was deregistered on June 27, 2024
"REACH"	Registration, Evaluation, Authorisation and Restriction of Chemicals, a European Union regulation governing chemical substances
"Relevant Jurisdictions"	any jurisdiction that is relevant to the Company and has sanctions related laws or regulations restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets or certain countries, governments, person or entities targeted by such law or regulation. For the purpose of this Document, Relevant Jurisdictions include the U.S., EU, UK, UN and Australia
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Company, the details of which are described in "Corporate Information" in this Document
"Retained Zhen Ding Group"	Zhen Ding Group and Avary Group
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

"SAMR", or formerly known as "SAIC"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
"Securities and Futures (Stock Market Listing) Rules"	the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with nominal value of RMB1.00 each, comprising Domestic Unlisted Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of our Shares
"Shenzhen Fuyi"	Shenzhen Fuyi Enterprise Management Partnership (Limited Partnership) (深圳市福毅企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Jinjia"	Shenzhen Jinjia Enterprise Management Partnership (Limited Partnership) (深圳市進嘉企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Jinquan"	Shenzhen Jinquan Enterprise Management Partnership (Limited Partnership) (深圳市進銓企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Jinrong"	Shenzhen Jinrong Enterprise Management Partnership (Limited Partnership) (深圳市進榮企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Jinshuo"	Shenzhen Jinshuo Enterprise Management Partnership (Limited Partnership) (深圳市進碩企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Junde"	Shenzhen Junde Enterprise Management Partnership (Limited Partnership) (深圳市鈞德企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms

"Shenzhen Junhe"	Shenzhen Junhe Enterprise Management Partnership (Limited Partnership) (深圳市鈞賀企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Kaixing"	Shenzhen Kaixing Enterprise Management Partnership (Limited Partnership) (深圳市愷興企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
"Shenzhen Lekai"	Shenzhen Lekai Enterprise Management Partnership (Limited Partnership) (深圳市樂愷企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Ruijin"	Shenzhen Ruijin Enterprise Management Partnership (Limited Partnership) (深圳市瑞進企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, and one of our Employee Shareholding Platforms
"Shenzhen Shuoxing"	Shenzhen Shuoxing Enterprise Management Partnership (Limited Partnership) (深圳市碩興企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
"Sole Sponsor"	CITIC Securities (Hong Kong) Limited
"Sole Sponsor-Overall Coordinator"	CLSA Limited
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
	[REDACTED]
"State Council"	the PRC State Council (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the three years ended December 31, 2025 and the three months ended March 31, 2026
"Transfer Pricing Consultant"	KPMG Advisory (China) Limited Shenzhen Branch, the transfer pricing consultant of our Company
"Treasury"	the U.S. Department of the Treasury

[REDACTED]

"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. IP Legal Advisor"	Tsai, Lee & Chen, the legal advisor to our Company as to U.S. intellectual property law
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency for the time being of the United States
"Zhen Ding"	Zhen Ding Technology Holding Limited (臻鼎科技控股股份有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Taiwan Stock Exchange (stock code: 4958), one of our Controlling Shareholders
"Zhen Ding Group"	Zhen Ding and its subsidiaries, except for our Group and Avary Group
"Zhen Ding Technology"	Zhen Ding Technology Co., Ltd. (臻鼎科技股份有限公司), a company incorporated in Chinese Taiwan with limited liability and a wholly-owned subsidiary of Zhen Ding

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

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

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

GLOSSARY OF TECHNICAL TERMS

"2.5D packaging/2.5D stacking IC packaging"	an advanced packaging technology that integrates multiple chips side-by-side, typically through an interposer, to achieve high-density interconnection and improved performance
"3D packaging/3D stacking IC packaging"	an advanced packaging technology that vertically stacks multiple chips or components to increase integration density and improve performance
"5G/6G"	fifth-generation and sixth-generation mobile communication technologies
"400G/800G/1.6T"	high-speed data transmission interface rates, referring to 400 gigabits per second, 800 gigabits per second and 1.6 terabits per second, respectively
"ABF"	Ajinomoto Build-up Film, a key build-up dielectric material used in advanced IC substrates
"ADAS"	advanced driver assistance system, a system that assists drivers through functions such as perception, decision-making and control in intelligent driving applications
"AEO"	authorized economic operator, a customs certification granted to enterprises that meet relevant customs compliance and security standards
"AI"	artificial intelligence, a branch of computer science focused on creating systems capable of performing tasks that typically require human intelligence, such as learning, reasoning and perception
"AIoT"	artificial intelligence of things, referring to the integration of artificial intelligence technologies with Internet of Things devices and applications
"ASIC"	application-specific integrated circuit, a customized integrated circuit designed for a specific application
"AiP"	antenna-in-package, a packaging technology that integrates antennas into a semiconductor package or module
"AMHS"	automatic material handling system, a logistical backbone of a cleanroom fab, designed to prevent human contact or particle contamination
"AOI"	automated optical inspection, an inspection process using optical imaging to detect defects in circuits or IC substrates

GLOSSARY OF TECHNICAL TERMS

"APS"	advanced planning and scheduling, the specialized software and digital infrastructure used to manage and optimize production workflows. It dynamically manages production schedules, material constraints, equipment maintenance down-times, and fluctuating market demands to prevent bottlenecks and maximize yield
"ASP"	average selling price
"AVI"	automatic visual inspection, a quality control process that uses high-resolution cameras, specialized sensors, and AI-powered software to capture images of chips and circuit boards, automatically detecting microscopic defects and verifying dimensions without human intervention
"BGA"	ball grid array, a type of integrated circuit package using an array of solder balls for electrical connection
"blind via"	a via that is exposed on only one side of an IC substrate or printed circuit board and connects an outer layer to one or more inner layers
"BOM"	bill of materials, a structured list of all the raw materials, chemicals, components, and sub-assemblies needed to manufacture an integrated circuit (IC) or electronic product
"BT"	bismaleimide triazine, a high-performance resin commonly used as a base substrate material in semiconductor and chip packaging.
"BT-CCL"	bismaleimide triazine resin glass-fiber copper-clad laminates
"CAGR"	compound annual growth rate
"CCL"	copper-clad laminate, a composite sheet material made by bonding thin layers of copper foil to a non-conductive substrate, such as fiberglass, resin, paper or specialty polymers.
"chiplet"	a small integrated circuit (IC) that contains a well-defined subset of functions and is designed to be combined with other chiplets, typically on an interposer and within a single package, to form a more complex component such as a computer processor.
"CPO"	co-packaged optics, a packaging technology that integrates optical engines or optical components close to switching or computing chips to support high-speed data transmission
"CPU"	central processing unit, a complex set of electronic circuitry that runs the machine's operating system and apps
"CSP"	chip scale package, a compact integrated circuit package in which the package size is close to that of the die itself

GLOSSARY OF TECHNICAL TERMS

"CTE"	coefficient of thermal expansion, a measure of the extent to which a material expands or contracts with changes in temperature
"CXL"	compute express link, an open standard, high-speed interconnect technology that enables efficient data transfer and memory sharing between CPUs, memory devices, and hardware accelerators
"data warehouse"	a centralized data repository used to store, integrate and support analysis of production, quality and operational data
"DDR5"	double data rate 5, a fifth-generation DRAM memory standard that provides high-speed, high-bandwidth, and large-capacity memory for data center, server, computing, and other high-performance semiconductor applications
"desmear"	a post-drilling or post-laser-processing cleaning and surface-preparation process that removes resin smear or drilling residues from via or hole walls and prepares the surface for copper deposition
"DMS"	defect management system, a system used to collect, classify, analyze and trace production defects to support root-cause analysis and process improvement
"DPU"	data processing unit, a programmable processor designed to accelerate data-centric computing, networking, storage or security workloads
"DRAM"	dynamic random access memory, a type of random-access semiconductor memory that stores each bit of data in a memory cell
"EAP"	equipment automation program, a software interface used to transmit recipes and work order instructions from manufacturing execution system (MES) to production equipment and collect equipment status, alarms and process data through communication protocols
"EDA"	electronic design automation, software tools and systems used to design, simulate, verify, and analyze semiconductor chips, IC substrates, and electronic circuits before manufacturing
"electroless copper plating" or "chemical copper deposition"	a chemical copper deposition process that deposits copper on substrate or via surfaces without using an external electric current, often used before subsequent electroplating
"electroplating"	an electrochemical process that deposits a conductive metal layer, typically copper, onto a substrate or via wall to enable electrical conduction

GLOSSARY OF TECHNICAL TERMS

"EMS"	equipment management system, a system used in manufacturing operations to maintain an equipment ledger and manage equipment inspection, preventive maintenance, repair records, operating status, and lifecycle tracking
"ERP"	enterprise resource planning, an integrated system used to manage procurement, inventory, production planning, finance, and supply chain operations across the business
"ETS"	embedded trace substrate, a substrate process or structure in which circuit traces are embedded in a prepreg or resin dielectric layer to protect fine-line circuitry and support high-density interconnection
"FCCSP"	flip-chip chip-scale package, a semiconductor packaging technology where a silicon die is flipped upside down (active face facing the substrate) and directly connected to it via tiny solder bumps, creating an ultra-compact, thin package with significantly shortened electrical signal paths
"FCCSP substrate"	IC substrate for FCCSP packaging
"FCBGA"	flip-chip ball grid array, a type of ball grid array that uses flip-chip bonding for electrical connection between the die and the substrate
"FCBGA substrate"	IC substrate for FCBGA packaging
"FDC"	fault detection and classification, a system or methodology used to monitor equipment and process data in real time to detect abnormal conditions, classify faults and trigger alerts
"GHG"	greenhouse gas
"GPU"	graphics processing unit, a specialized electronic circuit designed for digital image processing and to accelerate computer graphics
"HBM"	high bandwidth memory, a stacked dynamic random-access memory (DRAM) technology that provides high data bandwidth for AI, graphics and other high-performance applications
"HDI"	high-density interconnect, referring to structures or technologies that enable dense electrical interconnections within substrates or packages
"HMI"	human-machine interface, a user-facing electronic interface enabled by semiconductor components, such as processors, display driver ICs, sensors, memory, and IC substrates, that allows users to interact with machines, vehicles, or electronic systems through displays, touch controls, voice input, buttons, or other control functions

GLOSSARY OF TECHNICAL TERMS

"HPC"	high-performance computing, the use of high-speed parallel computing systems to perform complex, computation-intensive tasks
"IC"	integrated circuit, a semiconductor device that integrates a number of transistors and other electronic components onto a piece of silicon
"IC Substrate"	a specialised, multi-layer platform, typically composed of composite materials, that connects the silicon die to the printed circuit board, providing electrical connectivity, mechanical support and thermal dissipation for the chip
"IDM"	integrated device manufacturer, a company that performs multiple stages of the semiconductor value chain in-house, typically including chip design, wafer fabrication, packaging, testing, and sales of semiconductor products
"Inplan"	a production engineering and manufacturing preparation software used to convert customer design files into standardized work orders, process parameters and bills of materials for IC substrate manufacturing
"IoT"	Internet of things, referring to connected devices, sensors and systems that collect and exchange data
"I/O density"	input/output density, referring to the number of input and output connections within a given area
"kg"	kilogram
"laser direct imaging" or "LDI"	laser direct imaging, a maskless lithography or image-transfer process that directly writes circuit patterns onto a photoresist-coated substrate, used for fine-line circuit formation
"laser drilling"	equipment or a process that uses focused laser energy to form small holes, vias or microvia openings in IC substrates, including CO2 laser drilling machines used for blind vias and microvia openings
"laser via"	a via formed by laser drilling to enable interlayer electrical connection in high-density substrates
"LiDAR"	light detection and ranging, a sensing module that uses laser emitters, photodetectors, and signal-processing ICs to measure distance and generate precise 3D information about a vehicle's surroundings
"LPDDR"	low power double data rate, a dynamic random-access memory (DRAM) standard optimized for low power consumption in mobile, embedded and other compact electronic devices

"LPU"	language processing unit, a type of specialized processor designed to accelerate the inference of large language models
"MCS"	material control system, a manufacturing control system that manages the dispatching, routing, and tracking of materials through semiconductor production processes to support efficient and traceable manufacturing flow
"MCU"	microcontroller unit, an integrated circuit used for control functions in electronic systems, including automotive applications
"MES"	manufacturing execution system, a system used to manage, monitor and control manufacturing operations in real time
"microvia"	a small via used in high-density substrates or printed circuit boards to provide interlayer electrical connection, typically formed by laser drilling
"mm"	millimeter
"MMC"	MultiMediaCard, a type of flash memory card standard
"module"	a functional assembly that integrates multiple heterogeneous bare chips and passive components into a single package to perform a specific function
"mSAP"	modified semi-additive process, a circuit fabrication process used in advanced PCBs and IC substrates that selectively adds copper to patterned areas in a controlled manner, enabling the formation of very fine circuit lines and small spacing required for high-density modern electronic devices
"NAND flash memory"	a type of non-volatile flash memory used for data storage
"nm"	nanometer
"NPU"	neural processing unit, a processor or accelerator designed for artificial intelligence and neural network workloads
"OA"	a system for office automation that digitizes and streamlines routine administrative tasks, workflows, and internal communications within an organization
"OCR"	optical character recognition, a technology that identifies and extracts text or parameters from images or documents and converts them into digital data
"OSAT"	outsourced semiconductor assembly and test, referring to companies that provide semiconductor packaging and testing services

"PHM"	prognostics and health management, a predictive maintenance system or methodology used to assess equipment health, forecast potential failures and support maintenance decisions
"plasma treatment"	a surface treatment process using plasma to clean, activate or modify substrate surfaces to improve adhesion, coating or subsequent metallization
"prepreg"	short for "pre-impregnated," prepreg is a composite material typically made of woven fiberglass cloth impregnated with partially cured resin, such as epoxy. In advanced packaging substrates and printed circuit boards, it serves as a dielectric insulating layer and bonding material that helps hold conductive layers together
"PMIC"	power management integrated circuit, an integrated circuit used to regulate, convert and distribute power in electronic systems
"printed circuit board"	a board used to mechanically support and electrically connect electronic components
"ProjectLink"	the digital software supporting online collaboration and project management
"QMS"	quality management system, a system used to manage quality inspection, quality improvement, quality traceability and nonconformance handling across manufacturing processes
"RFFE"	radio frequency front-end, a set of semiconductor components or modules that transmit, receive, filter, amplify, and route radio-frequency signals in wireless devices, commonly used in smartphones, Wi-Fi, Bluetooth, wearables, and other connected electronics
"RMS"	recipe management system, a manufacturing software system used to manage, version-control and distribute production recipes, formula parameters and process settings to support consistent equipment operation
"SAP"	system applications and products, the software for systems, applications, and products in data processing, which is an enterprise resource planning platform and functions as a centralized business management system
"sawing" or "dicing" or "singulation"	a cutting process by which processed panels, substrates or wafers are separated into shipment units or individual units
"SECS"	the semiconductor equipment communications standard/protocol used for communication between manufacturing systems and production equipment

GLOSSARY OF TECHNICAL TERMS

"semi-additive process"	a circuit fabrication process, related to mSAP, that selectively builds copper on patterned areas to form fine circuit traces for high-density IC substrates or printed circuit boards
"silicon die"	an individual semiconductor chip cut from a processed wafer, containing integrated circuits and serving as the core active component in a package
"SoC"	System-on-Chip, an integrated circuit that integrates multiple system components into a single chip
"SPC"	statistical process control, a data-driven quality control method used to monitor process data, apply control rules and identify process variations during manufacturing
"sq. m."	square meter
"through-hole electroplating"	an electroplating process that deposits conductive metal on the walls of through holes to provide electrical connection between layers of an IC substrate or printed circuit board
"TPU"	tensor processing unit, a type of processor or accelerator designed for artificial intelligence and machine learning workloads
"μm"	micrometer
"WBCSP"	wire bonding chip scale package, a type of chip scale package that uses wire bonding to connect the die to the substrate
"WBCSP substrate"	IC substrate for WBCSP packaging
"warpage"	warpage is calculated as the maximum warpage height divided by the substrate diagonal length, multiplied by 100%
"WMS"	warehouse management system, a software system used to manage and control warehouse operations, including inventory receiving, storage, location tracking, picking, packing, dispatching, and shipment management
"VCP"	vertical continuous plating, an electroplating process used in IC substrate manufacturing
"via"	a plated or conductive hole used to provide electrical connection between different layers of an IC substrate or printed circuit board
"xPU"	an umbrella term for domain-specific processors, where the "x" denotes a variable representing a specific application or domain, such as vision, graphics, neural networks or other specialized workloads. It generally describes chips tailored to specific workloads rather than general-purpose computing
"YMS"	yield management system, a system used to collect and analyze yield data across production and testing processes to identify yield loss, support quality traceability and improve manufacturing performance

FORWARD-LOOKING STATEMENTS

This Document includes forward-looking statements. All statements other than statements of historical facts contained in this Document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "aim," "anticipate," "believe," "consider," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "seek," "should," "will," "would," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to Chinese Mainland;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in Chinese Mainland and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate;
- various business opportunities that we may pursue; and
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this Document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this Document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Document might not occur. All forward-looking statements contained in this Document are qualified by reference to the cautionary statements set out in this section.

An [REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED].

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our products are widely used by customers of various industries and sectors. Supply-demand dynamics and other macro-economic factors that affect these industries and sectors where our products are used may in turn impact our business, financial condition and results of operations.

Our products are primarily offered to customers across various industries and sectors, including smart devices, AI and HPC, memory, automotive and robotics, and network communications. Therefore, factors that adversely affect these industries and sectors could also materially and adversely affect our business, financial condition, results of operations and prospects. These factors include, among others: (i) a decline in demand for, or negative perception of, or publicity about, products; (ii) rising material and labor costs relating to the design and production of IC substrates; (iii) the reduction or elimination of preferential tax treatments and economic incentives for manufacturers; (iv) regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes that may have the effect of limiting exports; (v) a downturn in general economic conditions or major countries and regions that import products; (vi) increasing level of competition from IC substrate manufacturers in other countries and regions; and (vii) any financial difficulties, market share loss, or reputational harm to end customers that use our products. Additionally, uncertainty, volatility, or adverse changes in the economy in general, including inflationary pressures, logistics disruptions and supply chain constraints arising from such events, could lead to a significant decline in demand for the end products manufactured by our customers, delay their production or deliveries and increase their operating costs, which, in turn, could result in a decline in the demand for our products and increase pressure to reduce our prices.

We face intense competition and expect competition to increase in the future. If we fail to compete effectively, our revenue growth and results of operations will be materially and adversely affected.

We face intense competition from other IC substrate providers whose activities directly affect and shape the pace of competition. Although the entry barriers for advanced IC substrates are high, the global IC substrate market is still highly competitive. We expect competition to increase and intensify as other companies enter our markets, many of which may have greater financial and other resources with which to pursue technology development, product design, manufacturing, marketing and sales of their products.

Some of our competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial, sales and marketing, production, distribution, and other resources and experience than we do. Our competitors' greater size in some cases may provide them with a competitive advantage with respect to production costs due to economies of scale and their ability to purchase raw materials at lower prices. In addition, our competitors may be able to devote greater

resources to the research and development of technologies, processes and products that are more effective than ours. They may also adapt more quickly to new technologies and changes in customer demand and requirements.

Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could materially and adversely affect our business, revenue and operating results. Our failure to maintain our competitive position with respect to technological advances, to adapt to changing market conditions and customer preferences, or to otherwise compete successfully with existing or new competitors may have a material and adverse effect on our revenue growth and results of operations.

If we are unable to appropriately address the technological development and advancement in the industries and sectors where our products are used, our business, financial condition and results of operations could be materially and adversely affected.

Our ability to remain competitive will largely depend upon our ability to maintain and enhance our technological capabilities. If we are unable to secure additional sources of funds to rapidly adapt to technological developments as quickly as our competitors, or if we fail to promptly adopt and implement technological advancements, our production efficiency could decline, which may potentially reduce the quality of our product, resulting in increased costs. If we fail to effectively adapt to the technological requirements, substantial capital investments may be required for the development, acquisition, and implementation of those designs, technologies, and equipment, which could adversely affect our financial performance. Furthermore, the IC substrate industry is highly competitive, and has been characterized by rapid technological change and continuous advancements in process technologies. For example, advanced packaging innovations may materially affect demand for conventional IC substrates. If we are unable to adequately address technological developments and advancements and compete effectively, or if successful competition requires us to incur significant costs in response to our competitors' actions, our business, results of operations and financial condition may be materially and adversely affected.

We operate in a highly cyclical industry which can suffer from periodic downturns.

The semiconductor industry is highly cyclical and has historically experienced significant fluctuations in supply and demand, pricing, and profitability. Industry cycles are driven by a number of factors, including changes in global macroeconomic conditions, end-market demand for electronic products, customer inventory levels, capacity expansions and reductions by industry participants, and transitions to new manufacturing technologies. Due to the capital-intensive characteristics of semiconductor manufacturing, periods of industry oversupply can occur rapidly and may result in sharp and sudden declines in ASPs. Our ASPs may fluctuate significantly from month to month or quarter to quarter, and such fluctuations may occur independently of changes in our unit sales volumes or cost structure.

Periods of strong demand, such as those driven by new technology trends, including AI applications in recent years, may result in industry upcycles characterized by tight supply and product shortages. For example, the IC substrate industry has recently experienced shortages of high-end IC substrates. These upcycles may create the perception of sustained growth and favorable market conditions. Nevertheless, such favorable conditions are typically followed by periods of oversupply. Manufacturing capacity requires significant capital investment and involves long lead times, which can create imbalances between supply and demand. Industry participants often expand capacity during periods of strong pricing and profitability; however, when such new capacity commences commercial production several years later, the resulting increase in supply may exceed market demand, potentially leading to inventory corrections, sharp declines in ASPs and reduced utilization rates. For example, we have made, and continue to make, significant investments to support the rapidly growing demand for AI,

which has been a significant driver of our growth. The pace and sustainability of this demand are inherently uncertain and subject to change. There can be no assurance that the current trajectory of AI-driven growth will continue, or that such momentum will be sustained over the long term, as there could be shifts in technology trends, changes in customer preferences, regulatory developments, or a slowdown in AI adoption.

During industry downturns, reduced demand, excess inventory levels in the supply chain, and pricing pressure may materially and adversely affect our revenue, gross margins, cash flows, and overall profitability. In addition, because capacity expansions typically require substantial capital investment and long lead times, supply-demand imbalances may persist for extended periods. Any prolonged downturn or sudden adverse change in market conditions could have a material adverse effect on our business, financial condition and results of operations.

Supply chain shortages and interruptions, fluctuations in prices and our relationship with suppliers could adversely affect our results of operations.

Our success depends in part on our ability to manage the supply chain to manufacture and deliver the products in a timely manner and with quality. We source the raw materials for our products from third-party suppliers. However, the raw materials we use are subject to price volatility caused by external factors, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation, governmental regulations and policies, geopolitical tensions or health epidemics. In particular, ABF and CCL have recently experienced supply shortages. We might fail to secure an adequate supply of such raw materials under favorable business conditions, if at all, which could prevent us from meeting our customer demand. Moreover, such shortage could lead to increases in raw material costs and negatively impact our future profitability. During the Track Record Period, we relied on certain suppliers because the number of suppliers for certain raw materials, such as ABF, were limited. Purchase amount from our five largest suppliers accounted for 35.0%, 34.9%, 41.7% and 46.6% of our total purchase amount in each period of the Track Record Period, respectively. See "Business — Our Suppliers — Our Major Suppliers" for more details. Our reliance on these major suppliers subjects us to the concentration and counterparty risk from these suppliers. Any material adverse change to the operation, financial performance, or financial condition of our major suppliers may result in material adverse impact on their business with us.

Geopolitical tensions and volatile global economic conditions may put downward pressure on demand for our products and services, as well as our business, financial condition, and results of operations.

The global economy has experienced significant volatility in recent years, including due to wars, global financial crisis and economic slowdown, rising interest rates, inflationary pressures, supply chain disruptions, trade tensions between the United States and other countries, the Russia-Ukraine and Israel-Hamas conflicts, and volatility in the global stock markets, which have led to less favorable financial and economic conditions. In March 2026, hostilities involving the United States, Israel and Iran escalated, including U.S. and Israeli military strikes on Iran and retaliatory attacks in the region, which further increased geopolitical uncertainty. Such hostilities may also have particular adverse effects on the global semiconductor industry and electronics supply chain. In particular, because the Strait of Hormuz is a critical route for global oil and liquefied natural gas shipments and Qatar is a major global supplier of helium, which is critical in semiconductor manufacturing, continued disruption to regional energy infrastructure or shipping routes could increase energy, freight and input costs, constrain the availability of key materials and delay shipments across the semiconductor value chain. Any increase in energy prices, inflationary pressures or supply chain disruptions could adversely affect market demand and impose pressure on our product pricing.

The consequences of geopolitical tensions and volatility of economic conditions could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, the availability and cost of raw materials, supplies, freight and labor, currency exchange rates and financial markets, as well as the supply, cost and timely delivery of utilities, industrial gases and other inputs used by the semiconductor industry, all of which could impact our business, financial condition and results of operations.

We have been and intend to continue investing significantly in R&D activities, and the development cycles of our products can be long, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

We invest in R&D activities to develop and introduce new and enhanced products. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our R&D expenses amounted to RMB123.4 million, RMB153.8 million, RMB155.8 million, RMB36.8 million and RMB39.2 million, respectively. The industries in which we operate are subject to rapid technological innovations. To expand our product portfolio and to remain competitive, we need to continue making significant investments in R&D activities. Any delay or shortfall in such investment may limit our ability to participate in more demanding customer projects, thereby adversely affecting our business development, profitability and market position. In addition, R&D activities are inherently resource-intensive and time-consuming. Furthermore, market demand, macroeconomic conditions and the pace of technological advancement, all of which are beyond our control, may affect the commercial performance of newly developed products. Therefore, even if our R&D efforts are technically successful, they may not generate the anticipated economic returns within the expected timeframe or at all, which could materially and adversely affect our business, results of operations, financial condition and competitive position.

We may be subject to the risks associated with international trade restrictions, including sanctions and export controls, and our reputation, business, results of operations and financial condition could be adversely affected.

Our operations are subject to deterioration in political and economic relations among countries, sanctions and export controls imposed by governmental authorities, and other geopolitical challenges. Margins on the sales of products that include components obtained from certain suppliers from other countries and regions could be materially and adversely affected by international trade regulations, including custom duties, tariffs and antidumping penalties. In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the "**BIS**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). During the Track Record Period, we have transacted with several customers designated on the Entity List ("**EL Customers**"). As advised by our International Sanctions Legal Advisor, our transactions did not represent a violation of the applicable International Sanctions regulations. However, these restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. If our customers or suppliers are subject to economic or trade sanctions, or are restricted from sourcing from or selling to us certain technologies, software or components, our business, financial condition and results of operations may be adversely affected and we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our

transactions with these customers and suppliers. Furthermore, if we export our products to other countries and regions which are or become subject to sanctions or export controls, our business, financial condition and results of operations may be materially and adversely affected.

U.S. outbound investment regulations and other foreign laws and regulations could have a negative impact on our future ability to access capital.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the "**Outbound Investment Rule**"). On January 2, 2025, a U.S. outbound investment security program (the "**OISP**"), implemented by the Treasury under the Outbound Investment Rule, became effective. The OISP imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with Chinese Mainland, 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 Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest or contingent equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The OISP contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. For details, please refer to "Business — Trade Restrictions, Tariff Policies, and International Sanctions — U.S. Outbound Investment Security Program."

We are engaged in the R&D, manufacturing and sales of IC substrates for AI and HPC applications. Although we customize our IC substrates to meet the specific needs of downstream customers in AI and other sectors, we are not engaged in the development of any AI systems, and none of our products themselves are integrated circuits or other "semiconductors and microelectronics" that would implicate the relevant "covered activity" definitions related to those technologies. Accordingly, after consulting with our legal advisor as to U.S. law, we have concluded that we are not likely to be viewed as a "Covered Foreign Persons" and U.S. persons purchasing H Shares in the [REDACTED] will not be engaging in a prohibited or notifiable transaction under the OISP.

In addition, adverse changes to foreign laws and regulations, including the Outbound Investment Rule, could also heighten our exposure to legal and business risks, restrict our access to capital, disrupt our operations and affect our results of operations. For example, on February 21, 2025, the U.S. President issued a memo entitled the "America First Investment Policy" (the "**America First Memo**"), indicating that Executive Order 14105 is under review and the U.S. government will consider possible application of the Outbound Investment Rule to a wider range of technology sectors and application of restrictions to a wider range of investments, including publicly traded securities. On December 18, 2025, the U.S. Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"), which will supersede the Outbound Investment Rule, became law. The COINS Act is subject to a rulemaking process, which is required to be completed by March 2027, and there is substantial uncertainty regarding how the new law will be implemented. Possible changes to the Outbound Investment Rule, the COINS Act, or similar laws and regulations could limit or, in the worst-case scenario, eliminate our ability to raise capital or contingent equity capital (such as convertible bonds) from U.S. investors in the future, or our ability to raise such capital may be significantly and negatively affected, which could be detrimental to our capital-raising capacity and our business, financial condition and prospects. In addition, changes to the publicly traded securities exception or other aspects of the Outbound Investment Rule could prohibit the [REDACTED] or [REDACTED] of our H Shares by U.S.

persons, impose new notification or other regulatory requirements, or make our [REDACTED] less attractive to such [REDACTED]. In such cases, the [REDACTED] of our [REDACTED] could significantly decline, and our [REDACTED] may be materially and adversely affected. [REDACTED], including those that are U.S. persons or are subsidiaries of U.S. persons, should consult their own legal counsel regarding the applicability of the Outbound Investment Rule, the COINS Act or similar laws and regulations to this [REDACTED] and any potential obligations and exceptions thereunder.

Our business, financial condition and results of operations could be materially and adversely affected by tariff increases or other changes in import and export duties.

In recent years, the United States has imposed a series of tariff increases on imports from China. In 2025, the U.S. government announced a new round of tariff adjustments. As of the Latest Practicable Date, it remained uncertain how the Sino-U.S. and global trade tensions would evolve. During the Track Record Period, revenue attributable to exports to the United States accounted for less than 1% of our total revenue. Accordingly, changes in U.S. tariff regimes did not cause any direct material burden on cost of sales. However, there can be no assurance that our business will not be adversely affected by future changes in U.S. tariff policies or other geopolitical developments, including potential indirect impacts on our supply chain, customers, or broader market conditions. In particular, although we primarily sell our products to customers in domestic and international markets, we cannot assure you that such customers or other downstream participants will not be affected by elevated tariff levels or changes in trade policies in their respective end markets. Given that our products are generally used as intermediate components, the impact of tariffs is more likely to be transmitted through supply chain adjustments, changes in procurement strategies or shifts in end-market demand. As a result, fluctuations in global tariff regimes may still indirectly affect our sales volumes, pricing strategies or customer relationships. Accordingly, our business, financial condition and results of operations may be materially and adversely affected.

Our business, financial condition and results of operations may be subject to adverse effects from the risk of customer concentration.

In 2023, 2024, 2025 and the three months ended March 31, 2026, our revenue generated from our five largest customers represented 81.4%, 81.2%, 76.6% and 68.1% of our total revenue during the same periods, respectively. In 2023, 2024, 2025 and the three months ended March 31, 2026, our revenue generated from our largest customer represented 37.8%, 38.6%, 36.4% and 29.0% of our total revenue during the same periods, respectively. See "Business — Our Customers" for more details. To the extent we rely on a limited number of major customers, such counterparties may have enhanced leverage in commercial negotiations, which may require us to accept less favorable pricing or other terms. Our major customers' stable relationship with us and consistent demands are crucial to our business. Any disruption in our business relationship with major customers could have a material adverse effect on our business, financial condition and results of operations.

Our production processes are complex and costly. Disruptions and suspension of our production lines can significantly impact our production volume, and our business, financial condition and results of operations can be affected as a result.

During the Track Record Period, we produced substantially all of our products at our production facilities in the PRC. We may experience difficulties in coordinating the various aspects of our production processes, thereby causing downtime and delays. Any delay or stoppage of production caused by adverse weather, natural disasters or other unanticipated catastrophic events, including, without limitation, power interruptions, water shortage, storms, fires, earthquakes, terrorist attacks and wars, could significantly impair our ability to produce our products and operate our business. Our machineries and equipment housed in these facilities would be difficult to replace and could require

substantial replacement lead time. Catastrophic events may also destroy any inventory stored in our facilities. Any stoppage in production, even if temporary, or delay in delivery to our customers could adversely affect our business, financial condition and results of operations. In addition, there are risks that an accident or death may occur in any one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and imposition of liabilities.

If we are unable to maintain optimal capacity utilization rates of our manufacturing facilities or quality of our products, our profitability and results of operations would be adversely affected.

Given the high fixed costs of our operations, decreases in the capacity utilization rates of our manufacturing facilities or quality of our products can have a significant adverse effect on our business. Accordingly, our ability to maintain or enhance our gross margins will continue to depend, in part, on maintaining satisfactory capacity utilization rates and quality of product. Our ability to maintain satisfactory capacity utilization rates will depend on the demand for our products, the volume of orders we receive, our ability to maintain a sufficient workforce at our facilities, and our ability to offer products that meet our customers' requirements at competitive prices. Our ability to maintain satisfactory quality of our product will depend on a number of factors, including the stability and efficiency of our manufacturing processes, the quality and consistency of raw materials, equipment performance, process control and our ability to promptly identify and remedy production defects and other operational issues. Any failure to maintain satisfactory capacity utilization rates or quality of our products may increase our unit production costs, reduce our gross margins and profitability, and materially and adversely affect our business, financial condition and results of operations.

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

Immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will hold approximately [REDACTED] of the issued share capital of our Company. The interests of the Controlling Shareholders may differ from the interests of our other Shareholders. If the interests of the Controlling Shareholders conflict with the interests of our other Shareholders, or if the Controlling Shareholders cause our business to pursue strategic objectives that conflict with the interests of our other Shareholders, the non-controlling shareholders may be disadvantaged by the actions that the Controlling Shareholders choose to cause us to pursue. We have various business and corporate governance measures in place, which will be implemented upon [REDACTED] including the Controlling Shareholders' execution of the Non-Competition Undertaking (including the undertakings therein with respect to the Excluded Business) to mitigate the conflict of interests. See "Relationship with Our Controlling Shareholders — Business Delineation between the Retained Zhen Ding Group and Our Group" for more details. There is no assurance that our Controlling Shareholders will not carry on a business in competition with us notwithstanding the Non-Competition Undertaking.

The Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. The Controlling Shareholders have no obligation to consider the interests of the Company or the interests of our other shareholders. As such, the Controlling Shareholders' interests may not necessarily be in line with the best interests of the Company or the interests of our other shareholders, which may have a material and adverse effect on the Company's business operations and the [REDACTED] at which our [REDACTED] are [REDACTED] on the [REDACTED].

We enter into certain transactions with our connected persons which may give rise to potential conflicts of interest.

During the Track Record Period, we entered into a number of transactions with our connected persons in the ordinary and usual course of business. See "Connected Transactions" for more details. In light of our business needs, we have entered into, and expect to continue to enter into, certain transactions that constitute continuing connected transactions of our Company. If, due to changing market conditions, we are unable to continue such transactions with our connected persons on terms acceptable to us in a timely manner, our business operations and financial performance may be adversely affected. In addition, transactions with connected persons may give rise to potential conflicts of interest, and there can be no assurance that any such conflicts will be resolved in our favor.

We have incurred gross losses and net losses during the Track Record Period and we cannot assure you that we will not incur gross losses and net losses in the future.

During the Track Record Period, we recorded gross losses of RMB504.5 million and RMB105.5 million in 2023 and 2024, respectively and net losses of RMB753.1 million, RMB405.1 million and RMB328.7 million in 2023, 2024 and 2025. These losses were primarily attributable to the ramp-up stage of our relevant production lines, during which we incurred substantial fixed costs, including depreciation and manufacturing overheads.

Our ability to reduce gross losses and achieve or maintain positive gross margins will depend on, among other things, market demand, greater economies of scale, effective cost control and continued reductions in unit production costs. At the same time, our ability to reduce net losses and achieve or maintain overall profitability will depend not only on improvements in our gross margin and operating leverage, but also on the extent of finance costs and other non-operating items affecting our results. As we continue to expand capacity, broaden our product offerings, invest in research and development, and strengthen our technological capabilities and market presence, our costs and expenses may remain high, and our revenue growth may not be sufficient to offset such increasing costs and expenses. There can be no assurance that we will not incur gross losses and net losses in the future.

We recorded net current liabilities during the Track Record Period. If we do not generate sufficient cash flow from our operations to meet our present and future financial needs as anticipated, we may be forced to delay or abandon our expansion plans, and our business, financial conditions and results of operations may be adversely affected.

We recorded net current liabilities of RMB1,465.6 million, RMB2,174.7 million, RMB2,023.7 million, RMB1,858.2 million and RMB1,007.3 million as of December 31, 2023, 2024 and 2025, and March 31, 2026 and May 31, 2026, respectively. See "Financial Information — Selected Balance Sheet Items — Net Current Liabilities" for more details. Our future liquidity and other payables and the repayment of our outstanding debts when they become due will primarily depend on future operating and financial performance, including our ability to maintain adequate cash inflows from operating activities and our ability to obtain adequate financing.

Our future performance will be impacted by prevailing economic conditions and a range of other business and competitive factors which are beyond our control. We may record net current liabilities again in the future, and if we do not generate sufficient cash flow from our operations to meet our present and future financial needs as anticipated, we may need to rely on additional borrowings for funding.

We may not be able to obtain or maintain adequate intellectual property rights protection for our products, or the scope of such intellectual property rights protection may not be sufficient across different jurisdictions.

Our success depends on our ability to protect our proprietary technology as well as our products from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights and trade secrets. We have been protecting the proprietary technologies that we consider commercially important by, among others, filing patent applications in the PRC and other jurisdictions. The intellectual property application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable intellectual property applications at a reasonable cost or in a timely manner, if at all.

Even if we have identified, filed and prosecuted our intellectual property applications, our applications may not be granted or our intellectual property may be invalidated for multiple reasons, including known or unknown prior deficiencies in the intellectual property application or the lack of novelty of the underlying technology. As such, we cannot assure you that we will be able to discern the scope of the intellectual property protection or obtain adequate intellectual property protection with respect to our products, and our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in some jurisdictions.

The China National Intellectual Property Administration ("**CNIPA**") and various governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process and over the lifetime of the patent. Non-compliance events can result in abandonment or lapse of the relevant patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdiction. If our patent rights are compromised, we may lose market share to our competitors. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition, competitive position and prospects. Meanwhile, we protect trade secrets partly by entering into non-disclosure and confidentiality agreements, or include such undertakings in the agreements with parties that have access to them. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial financial and human resource costs.

We may become involved in lawsuits or legal proceedings to protect or enforce our intellectual property in court or before any related intellectual property agency in any jurisdiction.

We may need to initiate lawsuits or legal proceedings to protect or enforce our intellectual property rights, including patents and trade secrets. Competitors may infringe our patents or misappropriate our proprietary information. To counter infringement or unauthorized use, we may need to engage in litigation before courts or intellectual property agencies, which can be costly and time-consuming. Any claims we assert may also provoke counterclaims alleging that we infringe others' intellectual property rights. Our competitors may dedicate substantially greater resources than we do to such disputes, and adverse results could put our patents, including those pending, at risk of being invalidated, held unenforceable or interpreted narrowly. Proceedings before the CNIPA or other administrative bodies in the PRC or other jurisdictions could similarly result in revocation or amendment of our patents, thereby limiting their scope of protection. If any of our patents were found invalid or unenforceable, we would lose at least part, and potentially all, of the patent protection for the relevant products or product candidates, which could materially and adversely affect our business, results of operations and financial condition.

Our competitors with large patent portfolios may allege that our products infringe upon their intellectual property rights. Whether a product infringes a patent involves complex legal and factual analyses and the outcome is often uncertain. Moreover, competitors may have filed for patent protection not yet public, or claimed trademark rights that are not revealed through public record searches. Although we intend to identify and avoid intellectual property infringement, such efforts may not always be successful. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings in relation to intellectual property rights violations that we believe would have a material adverse effect on our business, financial condition and results of operations. However, any such claims, regardless of merit, could be costly, divert management attention and result in substantial financial costs. If successful, such claims could require us to suspend sales of relevant products, redesign or rebrand products, pay substantial damages or enter into unfavorable royalty or licensing agreements.

Our products are intricate in nature and undetected defects, errors or bugs of our products could adversely affect our business, financial condition and results of operations.

Our products are intricate in nature and may contain errors, defects or bugs that are difficult to detect and correct, particularly when first introduced or when new versions, generations or enhancements are released. Some errors or defects in our products may only be discovered after they have been tested, commercialized and deployed by our end customers. Under these circumstances, we may incur additional remedial costs to recall, repair or replace and additional development costs to redesign our products. Any failure to effectively implement or enforce quality control measures may result in defective products reaching our customers, which could increase the risk of product recalls, warranty claims or customer dissatisfaction. Furthermore, because we may be subject to warranty and indemnification provisions based on certain of our agreements with our customers, we may be subject to claims or threats of claims by our customers for their financial loss related to defects in our products. Any such claims would be time-consuming and costly for us to defend and divert our management attention, thereby adversely affecting our business, financial condition and results of operations.

Any failure to offer high-quality support services for our customers or end customers may harm our relationships with them and, consequently, our business.

As we expand our business, we need to be able to continue to provide efficient customer support at scale. We may not be able to respond to our customers' requests for return, exchange, technical support or maintenance assistance in a timely manner. If we experience increased customer demand for support and maintenance, our operational expense may increase and adversely impact our financial condition and results of operations. Our ability to attract new customers is highly dependent on our business reputation and on positive recommendations from our existing customers. If we are unable to provide efficient maintenance and support services with results satisfactory to our customers, our reputation and business may be harmed. Customer dissatisfaction may result in loss of existing customers or failure to acquire new users, which may materially and adversely affect our business and results of operations.

Our products are subject to various industry standards the requirements of which are continually evolving, and the efforts to meet such industry standards or requirements could be costly.

Our products are based on industry standards that are continually evolving. The development of existing industry standards and emergence of new industry standards could render our products obsolete. To identify and comply with these industry standards, we may need to redesign our products, which may be time-consuming and costly, and the outcomes of which may be uncertain. If we cannot successfully redesign our products, our products may not be able to comply with new industry standards or compete

with the products offered by our competitors. In this circumstance, we could miss opportunities to achieve crucial design wins and lose market share to our competitors, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We are required to obtain permits, licenses, approvals, filings and certifications for certain businesses operated by us from the relevant government authorities under relevant laws and regulations.

The industries we operate in are highly regulated. We are required to obtain and maintain the requisite licenses and approvals required in China and in other jurisdictions where we operate. See "Regulatory Overview" and "Business — Licenses, Approvals and Permits" for more details. Compliance with the relevant regulations may require substantial expense and non-compliance may expose us to sanctions and penalties. Moreover, we cannot assure you that we can successfully obtain such permits, licenses, approvals, filings or certifications, or update or renew some of them as required for our business in a timely manner. The interpretation and implementation of existing and future laws, regulations and policies governing our business activities may change, and we may be found in violation of such laws, regulations and policies if we fail to adapt to these changes. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings in any of the jurisdictions where we operate, we may be subject to various penalties, such as confiscation of the revenue that were generated through unlicensed activities, or the suspension or revocation of our licenses and approvals. Any such penalties may disrupt our business operations and materially and adversely affect our business, results of operations and financial condition.

We are subject to environmental, fire prevention, health and safety laws and regulations and production standards and it may be onerous and costly to comply with such regulations and standards.

Our operations are subject to extensive government regulation, including environmental, fire prevention, health and safety laws and regulations. These laws and regulations set various standards regulating certain aspects of health and environmental quality, fire safety and prevention, including waste treatment, emissions and disposals. The process to manufacture IC substrates requires adherence to national and foreign environmental laws and regulations regarding the storage, use, handling and disposal of chemicals, solid wastes, and other hazardous materials, as well as compliance with wastewater and air quality standards. In addition, our manufacturing processes involve the use and storage of chemicals and other materials that may present fire risks, and therefore require us to comply with applicable fire prevention and safety requirements, including those relating to fire control systems and equipment, facility inspections and employee training. We may be subject to potential financial liability for costs associated with the investigation and remediation of our own sites, or sites at which we have arranged for the disposal of hazardous wastes, if such sites become contaminated. Even if we fully comply with applicable environmental laws and are not directly at fault for the contamination, we may still be liable.

Violations of applicable environmental, fire prevention, health and safety laws and regulations, including any failure to comply with applicable fire safety requirements or to maintain required environmental or fire safety-related permits, approvals or certifications, could subject us to fines, penalties, production suspensions and other sanctions, including the revocation of our effluent discharge permits. In addition, any fire, fire-related accident or failure of our fire prevention systems could result in injury to personnel, damage to property and production interruptions. This could require us to cease or limit production at one or more of our facilities and could have a material adverse effect on our business, financial condition, and results of operations.

Increasing focus on environmental, social and governance ("ESG") matters by regulators and other stakeholders may increase our compliance risk and costs.

With the rising awareness of ESG issues, including with respect to disposal of wastes, greenhouse gas emissions and environmental protection, more stringent laws and regulations may be adopted. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. We have adopted a series of measures aiming to ensure our compliance with the ESG-related laws and regulations applicable to us. See "Business — Environmental, Social and Governance" for more details. We cannot assure you that these risk management measures can effectively mitigate the relevant risks and help us to navigate the regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, our business, results of operations and financial performance may be adversely affected.

Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding us, our Directors, employees, branding or products. Any negative publicity, whether warranted or not, could adversely affect our business.

We believe that our brand is integral to the success of our business. Since we operate in a highly competitive market, brand maintenance directly affects our ability to maintain our market position. The successful maintenance of our brand depends on our ability to provide competitive products and to strengthen business relationships with our customers. The successful promotion of our brand depends on the effectiveness of our marketing efforts and the amount of word-of-mouth referrals by our customers. We may incur extra expenses in promoting our brand. However, we cannot assure you that these activities will be successful or effective as expected. In addition, any negative publicity about our Company, Directors, employees, branding or products, whether warranted or not, may adversely affect our reputation and business. If our brand and reputation are damaged, we may face challenges in maintaining our current business relationships with our customers and in entering into new markets, which may adversely affect our business, financial condition, results of operations and prospects.

We may from time to time be involved in claims, legal proceedings and commercial or contractual disputes in the ordinary course of our business.

We may be involved in commercial or contractual disputes, legal and administrative proceedings, and claims arising out of the ordinary course of our business. For example, we may initiate legal proceedings against infringing or breaching parties in order to enforce our rights as provided under applicable laws or contractual arrangements. We cannot assure you that we will not be involved in various disputes in the future, which may expose us to additional risks and losses. In addition, existing or future disputes, proceedings and claims may be costly to defend or resolve. We may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies. Any claims, disputes, inquiries, investigations and proceedings may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. The disruption of our business due to judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, financial condition and results of operations.

We rely on our business partners, other industry participants, employees, suppliers, customers, trading partners, sales partners or other third parties that we collaborate with. Any failure to detect or prevent fraudulent or illegal activities or other misconduct by such parties may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconduct by our employees, suppliers, customers, trading partners, sales partners or other third parties that we collaborate with, that could subject us to liabilities, fines and other penalties imposed by government authorities. Although we have established internal control policies and relevant contractual covenants, we cannot assure you that we will be able to prevent fraud or illegal activity by such persons or that similar incidents will not occur in the future. Any illegal, fraudulent, corrupt or collusive activity by our employees, suppliers, customers or other third parties, violation of anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, could also subject us to negative publicity that could severely damage our brand and reputation. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct by our employees, suppliers, customers or other third parties could materially and adversely affect our business.

In addition, during the Track Record Period, we also engaged with agents to extend our market reach. Non-compliance by our agents or actions taken by them adverse to our interests could negatively affect our brand reputation and disrupt our sales. Fraud or other misconduct by our agents may involve engaging in unauthorized misrepresentation to our end customers or to us, and engaging in bribery or other unlawful payments. In any such event, we could, as a result, incur liability to our end customers for fraud or misconduct committed by such agents or otherwise suffer from their misconduct. Any claims could subject us to litigation regardless of whether the claims have merit.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations.

We maintain insurance coverage over our daily operations. Our insurance policies primarily include credit insurance, employee-related insurance, property all risk insurance, product liability insurance, production safety liability insurance, and transit insurance. However, the amount of coverage, depending on the insurance policies to which we subscribe, may not be adequate to fully compensate all types of loss, damage and liability we may suffer in the future. For example, insurance covering loss from acts of war, terrorism, or natural disasters may be unavailable or cost prohibitive. In addition, we cannot guarantee that our policies can be renewed on similar or acceptable terms, or at all. If we suffer unexpected severe losses or losses that far exceed the policy limits, it could materially and adversely affect our business, financial condition, results of operations and prospects.

Failure to renew our leases, to obtain proper ownership certificates from the lessor, or to comply with PRC property-related laws and regulations regarding certain of our properties and leased properties could adversely affect our business, financial condition and results of operations.

We lease nine properties in the Chinese Mainland: one for our production facilities, four for employee dormitories, three for an office, and one for a parking space. As of the Latest Practicable Date, we were not provided with the sufficient ownership certificate from the lessor for the three employee dormitories out of our nine leased properties under the lease agreement in Chinese Mainland. Any dispute or claim in relation to these properties could result in us having to relocate and/or obtain alternative accommodation for our employees. If our right to use the property is challenged, we would need to seek alternative properties on short notice and incur relocation costs, and there is no guarantee that we would be able to find suitable alternative properties on reasonable commercial terms, or at all. Any relocation may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, as of the Latest Practicable Date, we had not completed the lease registration for

the four employee dormitories and three office with the relevant land and real estate administration authorities. We may be required by relevant government authorities to file future lease agreements for registration within a time limit, and may be subject to a fine ranging from RMB1,000 to RMB10,000 for such non-registration exceeding such time limit. See "Business — Properties — Lease Properties" for more details.

Rising labor costs and labor shortages and other labor-related disruptions may materially adversely affect our business, financial condition, and results of operations.

Our success depends on our ability to hire, train, retain and motivate our employees. As of the Latest Practicable Date, we have not experienced any material work stoppages or strikes in the past. However, we cannot guarantee that any of such events will not arise in the future. If our employees engage in a strike or other work stoppage, we may experience significant operational disruption and/or accept higher labor costs, resulting in an adverse effect on our business, financial condition and results of operations. Our operating entities in the Chinese Mainland have established labor unions in accordance with applicable laws and regulations, with members of such labor unions comprising employee representatives. In the event of any disagreement in labor-management communication or any employee strike, our production and operations may be disrupted, and our labor costs may also increase. There is no guarantee that we will always be able to maintain a stable and quality labor force at favorable costs. Any deterioration in our labor relations could result in the disruption of production and operations, and may subject us to legal proceedings, as well as monetary and reputational damages.

In addition, labor costs in regions where we operate have been increasing in recent years and may potentially continue increasing. As such, we may have to increase our total compensation to attract and retain the experienced professionals required to achieve our business objectives. However, these increased costs might not be able to be passed onto customers by increasing our products' selling prices in light of market competition. In such circumstances, our profit margin may decrease, which could have an adverse effect on our business, financial condition and results of operations.

Failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds or other PRC labor related regulations may subject us to fines and other legal or administrative sanctions.

Companies operating in the PRC are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of employees in the PRC. According to applicable PRC laws and regulations, employers must open social insurance registration accounts and housing provident fund accounts and contribute to social insurance funds and housing provident fund for the benefits of their employees.

During the Track Record Period, we did not make adequate contribution to social insurance and housing provident fund for certain employees as required by relevant PRC laws and regulations. Our PRC Legal Advisor is of the view that the likelihood that we would be subject to material administrative penalties due to our failure to make full social insurance and housing provident fund contributions is remote provided that there are no significant changes in current policies, regulations, local government supervision, and law enforcement requirements related to social insurance and housing provident fund and based on the following reasons: (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from relevant government authorities requiring us to rectify failure to make full contributions or the penalties with respect to social insurance or housing provident funds; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties with respect to social insurance or housing provident funds; (iii) our PRC Legal Advisor conducted an on-site interview with an official from the competent local

government authority, who confirmed that, in the absence of any new requirements from higher-level authorities, the relevant authority will not initiate centralized collection of historical outstanding social insurance contributions or late payment charges from enterprises in respect of the Track Record Period, or impose administrative penalties or fines; (iv) our PRC Legal Advisor conducted telephone interview with the competent local government authority for housing provident fund, which confirmed that, in the absence of any new requirements, the relevant authority will not initiate centralized collection of historical outstanding housing provident fund contributions or late payment charges from enterprises in respect of the Track Record Period, or impose administrative penalties or fines; (v) we have rectified and made adequate contributions to social insurance for employees; and (vi) we will timely rectify and make adequate contributions to the housing provident fund for employees. Although we have not been subject to any administrative penalties, there is no assurance that our historical and current practices with respect to the contribution of social insurance plans and housing provident fund will at all times satisfy the government authorities in the PRC. In the event of any such 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. See "Regulatory Overview — Laws and Regulations Relating to Labor and Employment, Social Insurance and Housing Provident Fund" for more details. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in the PRC, such as relevant regulations on labor dispatch, we may be exposed to penalties or be required to compensate employees.

We are subject to risks of currency fluctuations.

Our consolidated financial results are affected by currency exchange rate fluctuations. The exchange rate between Renminbi and foreign currencies has fluctuated in the past, and this may impact our business, financial condition and results of operations in the future. In 2023, 2024, 2025 and three months ended March 31, 2026, we recorded net foreign exchange gains in other gains/(losses)-net and finance cost-net amounting to RMB2.7 million, RMB10.0 million, RMB17.3 million, RMB11.7 million, respectively, and in the three months ended March 31, 2025 we recorded net foreign exchange losses in other gains/(losses)-net and finance cost-net amounting to RMB5.1 million. Changes in foreign exchange rates may be due to many factors such as changes in the global economy and geopolitical conditions which are beyond our control. There is no assurance that we will make similar or any such gain in the future, which will in turn affect our future financial performance.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our selected property interest as of April 30, 2026 prepared by C&W, an independent property valuer, are set forth in the valuation report set out as Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

Any changes or discontinuation of preferential tax treatments or government grants may affect our business, results of operations and financial condition.

PRC companies are subject to the PRC corporate income tax at a standard rate of 25% on their taxable income, but the Company and Leading Qinhuangdao were accredited as "High and New Technology Enterprises," and are entitled to a preferential income tax rate of 15%. In addition, we are entitled to deductions under the preferential value-added tax ("**VAT**") additional deduction policy

granted by the PRC tax authority. This policy allows us to claim additional input VAT credits in connection with our purchases of goods, services, and other taxable inputs used in the ordinary course of business, which may be credited against our output VAT liabilities under applicable PRC tax regulations. We cannot assure you that PRC tax policies will not change or that the current policies from which we benefit will not be canceled, in which case our business, financial condition and profitability could be adversely affected.

Further, we received government grants during the Track Record Period. It is at the discretion of the relevant PRC government authorities to decide when, under what conditions or whether the preferential tax treatment and/or government grants should be granted to us. We cannot assure you that we will continue to be eligible to receive the preferential tax treatment and/or government grants or the relevant PRC government authorities will not impose new conditions for receiving such preferential tax treatment and/or government grants in the future. If we are unable to obtain or maintain the preferential tax treatment and/or government grants or any other favorable regulatory treatments in the future, our business, results of operations and financial condition may be affected.

Our business and operations require significant capital resources and we may not be able to obtain additional capital when desired, on favorable terms or at all.

Our operations are generally capital-intensive. To the extent that our funding requirements exceed our existing financial resources, we will be required to seek external debt or equity financing or to defer planned expenditures. The amount of additional capital we need depends on factors including, but not limited to: (i) our R&D expenses; (ii) our relationships with customers and suppliers; (iii) our ability to control costs and increase sales of our products; (iv) sales and marketing expenses; (v) enhancements to our infrastructure and systems; (vi) potential acquisitions of businesses and product lines; and (vii) general economic conditions, inflation, rising interest rates and international conflicts, and their impact on downstream industries.

As we further grow our businesses, we expect our capital requirements to increase significantly in the future. We cannot assure you that cash generated from our operations will be sufficient to fund our future development and expansion. If we are unable to obtain financing in a timely manner or at a reasonable cost, if at all, our expansion plans may be delayed, our projects may be hindered, and our financial performance and growth prospects may be materially and adversely affected. The availability of external funding is subject to various factors, including governmental policies, market conditions, credit availability, interest rates and the performance of our operations.

We incurred debts during the Track Record Period and may incur more debts in the future.

As of December 31, 2023, 2024, 2025 and March 31, 2026, we recorded borrowings of RMB3,882.3 million, RMB5,531.3 million, RMB5,558.4 million and RMB5,800.0 million, respectively. This in turn may require us to seek adequate financing from sources such as external debt, which may not be available on terms favorable to us or at all. Any difficulty in or failure to repay our debts or any additional debt can materially and adversely affect our business, financial condition and prospects.

If we incur more debts in the future, an increased balance of indebtedness may require us to devote our financial resources to servicing debt rather than funding our operating activities, which constrains our capital flexibility and may in turn adversely affect our business growth. In addition, if we incur a large balance of indebtedness, we may not be able to service our interest and principal repayments in a timely manner or at all, which could trigger cross-defaults with other debts and limit our ability to obtain further debt financing. As a result, failure to manage our debt may adversely affect our business, financial condition and prospects.

We are subject to credit risk related to delay in payment and defaults of customers, which would adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delay in payment and defaults of our customers. As of December 31, 2023, 2024, 2025 and March 31, 2026, our trade receivables amounted to RMB348.1 million, RMB579.1 million, RMB798.7 million and RMB883.8 million, respectively. During the same periods, our trade receivables turnover days were 80 days, 83 days, 89 days and 82 days, respectively. We may not be able to collect such trade receivables due to a variety of factors that are beyond our control, including long payment cycle, adverse operating condition or financial condition of our customers, and our customers' inability to pay caused by their end customers' delay in payment.

Delays in receiving payments from, or non-payment by responsible parties would adversely affect our cash flow position and our ability to meet our working capital requirements. Our allowance for impairment of trade receivables amounted to RMB1.0 million, RMB1.7 million, RMB2.4 million and RMB2.7 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. Although our management's estimates and the related assumptions have been made in accordance with information available to us, such estimates or assumptions for receivable provisions 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 any new information, we may need to provide for an additional allowance for impairment of trade receivables, which may in turn materially and adversely affect our business, financial position and results of operations.

We may be subject to inventory obsolescence risk.

Our inventories were RMB221.8 million, RMB323.7 million, RMB515.3 million and RMB654.6 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. For the same periods, our inventories turnover days were 49 days, 51 days, 61 days and 73 days, respectively. As our business expands, our inventory obsolescence risk may also increase with the increase in our inventories and our inventories turnover days. We cannot guarantee that we will be able to maintain proper inventory levels. If our forecast demand is higher than actual demand, we may be exposed to increased inventory risks due to the accumulation of excess inventory. In addition to the risk of inventory obsolescence, we may also suffer losses if our inventories are damaged, lost or deteriorated due to inadequate storage conditions or mishandling. Any failure to properly manage and safeguard our inventories could adversely affect our business, financial condition and results of operations.

Failure to fulfill our contractual obligations could adversely affect our liquidity and financial condition.

Our contract liabilities primarily arise from advance payments made by our customers to us before we provide the underlying goods or services to fulfill our performance obligations. Our contract liabilities were RMB7.6 million, RMB25.2 million, and RMB23.9 million and RMB29.6 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. See "Financial Information — Selected Balance Sheet Items — Net Current Assets/Liabilities — Contract Liabilities" for more details. There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities as the fulfillment of our performance obligations is subject to various factors that are beyond our control. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial condition may be adversely affected.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

During the Track Record Period, in the ordinary course of business, we engaged in certain cross-border intra-group transactions among our entities in the Chinese Mainland and Chinese Taiwan. In 2023, 2024, 2025 and three months ended March 31, 2026, the amounts of intra-group transactions were RMB634.3 million, RMB1,317.6 million, RMB1,450.3 million, and RMB472.1 million, respectively.

Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. Our global operations are structured through subsidiaries across different jurisdictions. See "Business — Intra-group Transactions" for more details. We could face material and adverse tax consequences if the relevant tax authorities determine that our cross-border intra-group transactions are not conducted on an arm's length basis and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. In the event of a transfer pricing adjustment, our tax liabilities could increase. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTIONS WE OPERATE

We may be required to obtain approvals, make filings or satisfy other requirements of the CSRC or other PRC governmental authorities in connection with our future capital raising activities, and we may become subject to additional compliance requirements under new PRC laws and regulations governing [REDACTED].

On February 17, 2023, the CSRC released the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) (the "**Overseas Listing Trial Measures**"), which became effective on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, PRC domestic companies that, after [REDACTED], subsequently [REDACTED] securities in the same overseas market or conduct an [REDACTED] and [REDACTED] in other overseas markets (the "**Future [REDACTED]**") shall complete the filing procedures with, and submit relevant information to, the CSRC. Based on the foregoing, for the Future [REDACTED] after the proposed [REDACTED], we are required to comply with the relevant filing procedures with the CSRC. It is uncertain whether we can, or how long it will take us to, complete such filing procedures in connection with the Future [REDACTED]. We may be subject to additional approval, filing or other regulatory requirements by other PRC government authorities under the PRC laws in the future. Any failure to complete the relevant procedures may have an adverse effect on the Future [REDACTED].

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities, or the completion of other procedures, is required, we may fail to obtain such approval, complete such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [REDACTED] from the overseas [REDACTED] into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

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

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. 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 is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. Furthermore, our understanding of such local government policies and internal interpretations may diverge from the regulatory authorities' interpretations or judicial rulings in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. Failure to adapt to changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may affect our business, financial condition and results of operations.

We generate revenue from many jurisdictions and our business is subject to the risks associated with international operations.

We operate in Chinese Mainland, Hong Kong, Chinese Taiwan and other jurisdictions and we generate revenue from the Chinese Mainland, Chinese Taiwan and other jurisdictions. We are subject to the rules and regulations of these jurisdictions and we cannot assure you that we are able to fully comply with such laws and regulations. Any violation of such laws and regulations may result in fines, other penalties, actions or proceedings that could adversely affect our business, financial condition and results of operations.

In addition, operating in offshore markets requires significant resources and management attention and will subject us to regulatory, economic and policy risks. Our business operations are subject to risks resulting from changes in tariffs, trade restrictions, trade agreements, international tax policies, difficulties in managing foreign operations and agents, different liability standards, issues related to compliance with local regulatory filing requirements, anti-corruption laws, data protection, trade compliance and intellectual property laws in the respective overseas jurisdictions. The occurrence or consequences of any of these factors may subject us to fines and restrict our ability to operate in the affected region or decrease the profitability of our operations in that region. We are also subject to general risks inherent in international operations, such as fluctuations in exchange rates, embargoes and customs clearances, complexity in the domestic and international political environment, changes in legal and regulatory requirements, import and export restrictions and tariffs, as well as political or social unrest or economic instability in regions in which we operate. Our failure to manage any of these risks successfully could harm our international operations, and adversely affect our business, results of operations and financial condition.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your [REDACTED].

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. We cannot guarantee that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange needs. Under existing PRC foreign exchange regulations, the foreign exchange expenditure under the current items shall be paid by an institution with its self-owned foreign exchange upon valid documents or with the foreign exchange purchased from any financial institution operating

the foreign exchange sale or settlement business in accordance with the administrative provisions of the foreign exchange administrative department of the State Council on the payment and purchase of foreign exchange. In addition, the foreign exchange expenditure under the capital items shall be paid by an institution with its self-owned foreign exchange upon valid documents or with the foreign exchange purchased from any financial institution operating the foreign exchange sale or settlement business in accordance with the administrative provisions of the foreign exchange administrative department of the State Council on the payment and purchase of foreign exchange. If the administrative provisions require the approval of a foreign exchange administrative organization, the approval must be obtained before making foreign exchange payments.

However, any change in these foreign exchange policies or any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, results of operations and financial condition, may be affected.

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

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region ("**HKSAR**") for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of the HKSAR (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If an HKSAR resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《〈內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排〉第五議定書》) issued by the SAT effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《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税有關問題的通知》) issued by SAT, also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors,

including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your [REDACTED] in our H Shares may be materially affected.

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

We are a company incorporated under the PRC laws and a majority of our assets are located in Chinese Mainland. In addition, some of our Directors and senior management reside within Chinese Mainland. As a result, it may be complex or difficult for you to effect service of process directly upon us or such Directors or senior management who reside in the Chinese Mainland, including in respect of matters arising under U.S. federal securities laws or applicable state securities laws. Pursuant to the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which became effective on January 29, 2024 and were promulgated by the Supreme People's Court, a party with an enforceable final court judgment rendered by any designated people's court of Chinese Mainland or any designated Hong Kong court in respect of a civil or commercial case, other than certain excluded types of cases, may apply for recognition and enforcement of the judgment in the relevant people's court of Chinese Mainland or Hong Kong court.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and an [REDACTED] for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the Overall Coordinators and us, and may not be an [REDACTED] of our H Shares following the completion of the [REDACTED]. If an [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and [REDACTED] of our H Shares may be materially and adversely affected. The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

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

The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular listed company. The business and performance and the market price of the shares of other listed companies engaging in similar business may also affect the [REDACTED] and [REDACTED] of our [REDACTED]. In addition to market and industry factors beyond our control, the [REDACTED] and [REDACTED] of our [REDACTED] may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and it is possible that our [REDACTED] may be subject to changes in [REDACTED] not directly related to our performance.

Future sales or perceived sales of substantial amounts of our [REDACTED] in the [REDACTED] could have a material adverse impact on the prevailing [REDACTED] of our [REDACTED] and our ability to raise additional capital in the future, or may result in [REDACTED] of your [REDACTED].

The [REDACTED] of our [REDACTED] and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our [REDACTED] or other securities relating to our [REDACTED] in the [REDACTED], especially by our Directors, executive officers and Controlling Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Certain Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which [REDACTED] commences on the Hong Kong Stock Exchange. We cannot assure you that they will not dispose of any Shares they may own now or in the future. [REDACTED] by such Shareholders and the availability of these Shares for future [REDACTED] may have a negative impact on the [REDACTED] of our Shares. In addition, any sale of the [REDACTED] subscribed by such investors pursuant to such arrangement or agreement could adversely affect the [REDACTED] of our [REDACTED] and any sizeable sale could have a material and adverse effect on the [REDACTED] of our [REDACTED] and could cause substantial volatility in the [REDACTED] of our [REDACTED].

You should read the entire document carefully and should not only rely on the information included in this document to make your [REDACTED] 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 [REDACTED].

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

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

Certain facts, forecast and other statistics in this document are derived from various government and official sources. We believe that the sources of the information from official government sources are appropriate sources and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that the information from official government sources is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the [REDACTED], [REDACTED] and [REDACTED] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our [REDACTED] that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our [REDACTED] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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

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

In preparation for the [REDACTED], we have sought the following waivers and exemptions from strict compliance with certain provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

Our principal business operations are primarily located, managed, and conducted in the PRC and will continue to be based in the PRC, and our Company's head office is located in Shenzhen, the PRC. Most of our executive Directors and senior management members ordinarily reside in the PRC and play important roles in our Company's business operations, principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's business. It is important for them to remain in close proximity to the Group's operations located in the PRC. We consider that it would be practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by relocation of our existing executive Directors or by appointment of additional executive Directors. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

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

(i) we have appointed Mr. Lee Ting-Chuan (李定轉) and Mr. Hsiao Te-Wang (蕭得望) as the authorized representatives of our Company (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Stock Exchange and will be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Our Company will provide contact details of the Authorized Representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any changes in Authorized Representatives. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See "Directors and Senior Management" for more details;

(ii) when the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have means for contacting all Directors promptly at all times as and when the Exchange wishes to contact the Directors on any matters;

(iii) to the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request by the Stock Exchange; and

(iv) our Company has appointed Altus Capital Limited as our Compliance Advisor with effect from the [REDACTED] in accordance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide

us with professional advice on continuing obligations under the Listing Rules and act as an additional channel of communication between the Company and the Stock Exchange during the period from the [REDACTED] to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the [REDACTED]. The Compliance Advisor will act as the additional and alternative channel of communication with the Stock Exchange and its representatives will be readily available to answer enquiries from the Stock Exchange; and

(v) to facilitate communication with the Stock Exchange, we have provided our Authorized Representatives and the Stock Exchange with the contact details (including mobile phone number, office phone number, email address and fax numbers (if any)) of each of our Directors.

WAIVERS IN RESPECT OF CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers from strict compliance with certain requirements under Chapter 14A of the Listing Rules for such continuing connected transactions. See "Connected Transactions" for more details.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

For further information on our Directors, please refer to the section headed "Directors and Senior Management" of this Document.

Name	Address	Nationality
Executive Director		
Mr. Lee Ting-Chuan (李定轉)	Room 2507, Building 2 Diwang Plaza Changqing South Road Chang'an Town, Dongguan City Guangdong PRC	Chinese (Taiwan)
Non-executive Directors		
Mr. Hsiao Te-Wang (蕭得望)	Room 3007, Building 3 Diwang Plaza Changqing South Road Chang'an Town, Dongguan City Guangdong PRC	Chinese (Taiwan)
Mr. Wang Yung-Hsiang (王勇祥)	7th Floor No. 6, Alley 7, Lane 275 Section 5, Zhongxiao East Road Taipei City Chinese Taiwan	Chinese (Taiwan)
Independent non-executive Directors		
Dr. Chou Chih-Chen (周志誠)	Unit 6, 11th Floor No. 142, Section 3, Minquan East Road Songshan District Taipei City Chinese Taiwan	Chinese (Taiwan)
Ms. Yu Pei-Pei (余佩佩)	7th Floor, Block A 64 MacDonnell Road Hong Kong	Chinese (Taiwan)
Mr. Chen Jyan-Bang (陳健邦)	15th Floor No. 21, Lane 112 Section 1, Zhongshan North Road Taipei City Chinese Taiwan	Chinese (Taiwan)

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Employee Director		
Mr. Zhang Yu **(張宇)**	Room 1616 North Building, SB12 No. 8 Langdong Road Yanluo Street Bao'an District, Shenzhen City Guangdong PRC	Chinese

See "Directors and Senior Management" for more details.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**CITIC Securities (Hong Kong) Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Sole Sponsor-Overall Coordinator	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Overall Coordinators, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **Morgan Stanley Asia Limited** 46/F, International Commerce Center 1 Austin Road West Kowloon Hong Kong
Legal Advisors to our Company	*As to Hong Kong and U.S. laws* **Sullivan & Cromwell (Hong Kong) LLP** 20th Floor, Alexandra House 18 Chater Road Central, Hong Kong *As to PRC law and PRC intellectual property law* **King & Wood** 18th Floor, East Tower World Financial Center 1 Dongsanhuan Zhonglu Chaoyang District Beijing PRC *As to laws of Chinese Taiwan* **Lin & Partners** 11F, No. 2, Sec.1 Dunhua S. Road Songshan District Taipei 10506 Chinese Taiwan *As to International Sanctions, U.S. export controls, tariff laws and the Outbound Investment Rule* **Hogan Lovells International LLP** 11th Floor, One Pacific Place 88 Queensway Hong Kong

	As to U.S. intellectual property law **Tsai, Lee & Chen** 11th Floor 148 Songjiang Road Taipei 104 Chinese Taiwan
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong and U.S. laws* **Davis Polk & Wardwell** 10/F, The Hong Kong Club Building 3A Chater Road Central Hong Kong *As to PRC law* **Haiwen & Partners** 20/F, Fortune Financial Center 5 Dong San Huan Central Road Chaoyang District Beijing PRC
Independent Auditor and Reporting Accountant	**PricewaterhouseCoopers** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 22/F Prince's Building, Central Hong Kong SAR, China
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road, Jingan District Shanghai, PRC
Property Valuer	**Cushman & Wakefield Limited** 27/F One Island East Taikoo Place 18 Westlands Road Quarry Bay Hong Kong
Transfer Pricing Consultant	**KPMG Advisory (China) Limited Shenzhen Branch** 15/F, China Resources Tower 2666 Keyuan South Road Nanshan District Shenzhen PRC
	[REDACTED]

CORPORATE INFORMATION

Registered Office, Headquarters and Principal Place of Business in the PRC	SL11 No. 8, Langdong Road Yanchuan Community Yanluo Street Bao'an District Shenzhen PRC
Principal Place of Business in Hong Kong	40th Floor, Dah Sing Financial Center 248 Queen's Road East Wan Chai Hong Kong
Company's Website	**www.leadingics.com** *(The information contained in this website does not form part of this Document)*
Company Secretary	**Ms. Lam Wai Yee Sophie (林慧怡)** ***(FCG, HKFCG)*** 40/F, Dah Sing Financial Center 248 Queen's Road East Wan Chai Hong Kong
Authorized Representatives	**Mr. Lee Ting-Chuan (李定轉)** Room 2507, Building 2 Diwang Plaza Chang'an Town, Dongguan City Guangdong PRC **Mr. Hsiao Te-Wang (蕭得望)** Room 3007, Building 3 Diwang Plaza Changqing South Road Chang'an Town, Dongguan City Guangdong PRC
Audit Committee	Dr. Chou Chih-Chen (周志誠) *(Chairperson)* Ms. Yu Pei-Pei (余佩佩) Mr. Chen Jyan-Bang (陳健邦)
Remuneration and Appraisal Committee	Dr. Chou Chih-Chen (周志誠) *(Chairperson)* Mr. Hsiao Te-Wang (蕭得望) Ms. Yu Pei-Pei (余佩佩)
Nomination Committee	Mr. Lee Ting-Chuan (李定轉) *(Chairperson)* Ms. Yu Pei-Pei (余佩佩) Mr. Chen Jyan-Bang (陳健邦)

CORPORATE INFORMATION

Compliance Advisor	**Altus Capital Limited** Room 1209 12/F, Nan Fung Tower 88 Connaught Road Central/ 173 Des Voeux Road Central Central Hong Kong
	[REDACTED]
Principal Bank(s)	**Bank of China Limited Shenzhen Longhua Branch** No. 442 Renmin North Road Longhua District Shenzhen City Guangdong PRC

The information and statistics set out in this section and other sections of this Document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Overall Coordinators, [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of their respective directors and advisers or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF IC SUBSTRATE INDUSTRY

Definition and Classification of IC Substrates

An IC substrate is a specialized, high-density interconnection platform used in semiconductor packaging, serving as a critical carrier that provides electrical connectivity, mechanical support and thermal management between the silicon die and the printed circuit board.

Classification by Packaging Method

- **FCBGA Substrates:** FCBGA substrate is an IC substrate (typically ABF-based) that carries the silicon die through flip-chip bonding on its top side, and provides an array of landing pads on its underside for BGA solder balls, which serve as the external terminals of the completed package for mounting onto the printed circuit board. They are mainly used for high-performance, high I/O chip packaging such as CPUs, GPUs, AI accelerators, server processors, and switching chips. FCBGA substrates are characterised by larger sizes, higher layer counts, low warpage, and high precision. They represent the highest-value and most technically challenging category of IC substrates.

- **FCCSP Substrates:** FCCSP substrate is an IC substrate (typically BT-based) that carries the silicon die through flip-chip bonding on its top side, enabling a completed package whose size is close to that of the die itself. They are mainly used for smart device chips such as smartphone AP, RFFE, PMICs, Wi-Fi, Bluetooth, and wearables. FCCSP substrates have relatively smaller size, lower layer counts, and fewer I/Os, adopting fine-line circuitry and micro-via structures, with an emphasis on thin and lightweight design.

- **WBCSP Substrates and Module Substrates:** WBCSP substrate is an IC substrate (typically BT-based) that carries the silicon die through wire bonding on its top side, enabling a completed package whose size is close to that of the die itself. Their technical difficulty and cost are generally lower than flip-chip packaging. They are mainly applied in mature-process areas such as memory chips (e.g., NAND Flash, DRAM), analog chips, power management chips, sensors, and MCUs. Module substrates mainly include SiP module substrates, camera module substrates, RF module substrates, memory module substrates and others.

Classification by Downstream Application

Downstream Areas	Key Applications	Core IC Substrate Requirements	Related Downstream Demands and Development Trends
Smart Device	CPUs, GPUs, application processors, baseband processors, Wi-Fi and connectivity chips, RF chips, and power management chips in smart devices such as smartphones, tablets, PCs and wearables	High wiring density; low power consumption; miniaturization; lightweight design	Global smart device shipments are expected to grow from 3.2 billion units in 2025 to 4.5 billion units by 2030, with sustained downstream demand providing stable support for the IC substrate market. As end devices evolve toward thinner, lighter and more highly integrated designs, the number of chips per device increases, while requirements for data transmission speed and power efficiency continue to rise. These trends drive IC substrates toward higher wiring density and higher inter-layer alignment accuracy.
AI and HPC	CPUs, GPUs and other AI accelerators (such as TPUs and other ASICs) in servers	High I/O density; high power delivery capability; high signal integrity; high thermal dissipation performance	Global AI infrastructure investment is expected to grow from approximately US$335.0 billion in 2025 to US$913.7 billion by 2030, at a CAGR of 22.2%, with sustained high growth in computing infrastructure investment providing strong support for FCBGA substrate demand. As AI evolves toward large models and multimodality, computing requirements and model complexity continue to rise; the number of accelerator cards per AI server increases, and system architectures evolve toward higher bandwidth and high-speed interconnection, driving upgrades in chip packaging specifications and imposing higher requirements on the precision, reliability and high-speed signal transmission capability of IC substrates.
Memory	DRAM, NAND Flash and HBM memory chips in areas such as smart devices, data centers and AI servers, automotive	High wiring density; high interconnection density; high signal integrity; low power consumption	Driven by growing data-storage demand from applications such as smart terminals, data centers and AI servers, memory chips continue to advance in capacity, bandwidth and performance, steadily increasing demand for IC substrates in the memory segment. In particular, as 3D NAND stacking layers increase and data center storage demand expands, standard memory devices such as DRAM and NAND Flash are being widely adopted, driving notable growth in demand for reliable and compact WBCSP substrates, which offer distinct advantages in ensuring stable electrical performance, efficient signal transmission and support for large-scale production.
Automotive and Robotics	Autonomous driving SoC, intelligent cockpit SoCs, vehicle MCUs, power management chips, robot main control chips, motion control chips, and vision perception chips	High layer counts; high interconnection density; automotive-grade reliability; high heat resistance	Global new energy vehicle sales are expected to increase from 22,594 thousand units in 2025 to 54,401 thousand units by 2030, at a CAGR of 19.2%; the global intelligent cockpit solution market is expected to grow from RMB370.5 billion in 2025 to RMB935.0 billion in 2030, at a CAGR of 20.3%. As vehicles evolve toward electrification and intelligence, autonomous driving and intelligent cockpits serve as key drivers, increasing the use of high-computing-power chips per vehicle and driving IC substrates toward higher layer counts, higher interconnection density and automotive-grade reliability. The global robotics market is expected to grow from US$70.7 billion in 2025 to US$140.0 billion by 2030, at a CAGR of 14.6%. In particular, embodied intelligent robots are emerging as a new growth area, raising requirements for real-time computing, environmental perception, motion control and low-latency communication, further driving demand for IC substrates with higher layer counts and high reliability.

Downstream Areas	Key Applications	Core IC Substrate Requirements	Related Downstream Demands and Development Trends
Network Communications	Network switching chips, routing chips, base station processors, baseband and communication SoCs, and RF chips	High-speed signal transmission; high-frequency performance; low transmission loss; high signal integrity	With the evolution of 5G and subsequent communication technologies, the deployment of high-speed, high-frequency chips across base stations, switching equipment and optical communication systems continues to expand. In addition, co-packaged optics (CPO) integrates optical engines at the packaging level, serving as a structural driver of growing demand for IC substrates optimized for high-density interconnection and thermal dissipation.
Others	Commercial aerospace (satellite communication chips, onboard processors), industrial control, rail transit, power and energy, and medical equipment	High reliability; high precision; miniaturization	With the rapid development of low-earth-orbit satellites, satellite Internet and commercial rockets, aerospace electronics face rising requirements for miniaturization, lightweight design and high reliability; meanwhile, industrial control is upgrading toward higher density and higher reliability. As system integration and intelligence levels rise across these fields, demand for advanced packaging and high reliability interconnection continues to increase.

Source: Frost & Sullivan

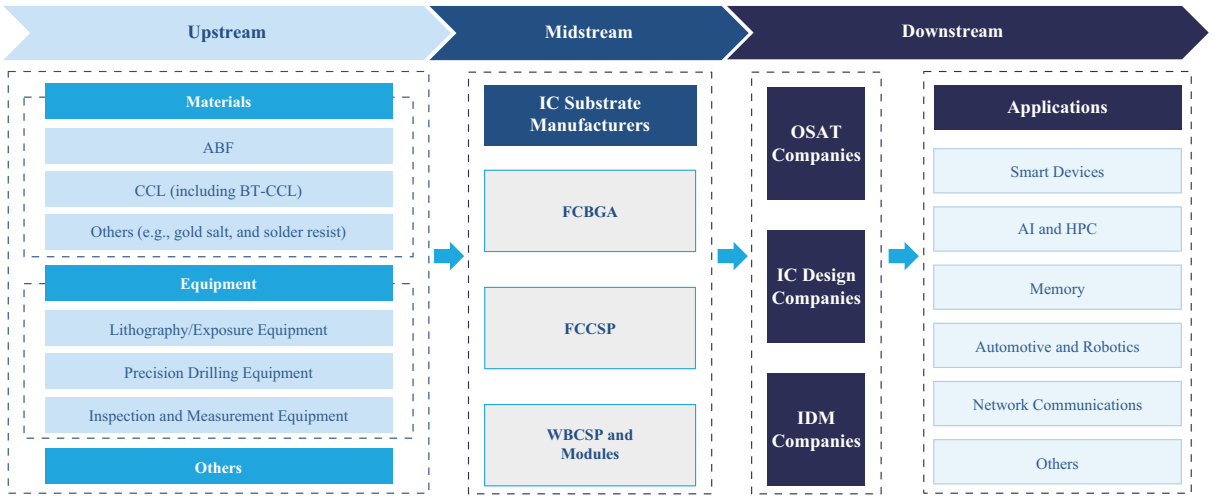
Analysis of the IC Substrate Industry Chain

The IC substrate industry chain is generally characterized by high technological intensity, a high degree of collaboration, and a relatively detailed division of labor. It can typically be divided into three main links: upstream raw material and equipment supply, midstream IC substrate manufacturing, and downstream applications.

The upstream link mainly includes suppliers of key materials and manufacturing equipment. Key raw materials include ABF, CCL (including BT-CCL), gold salt, and solder resist. The midstream segment, led by IC substrate manufacturers, is the core of the industry chain, processing upstream materials into high-density, high-precision IC substrates. They are responsible for IC substrate design, prototype verification, and large-scale production.

The downstream segment mainly comprises OSAT, IC design, and IDM companies and end-use application industries. OSAT companies assemble, interconnect and test chips with IC substrates to form finished IC products; IC design companies define product specifications and may engage in early-stage collaborative development with IC substrate manufacturers; and IDM companies, which integrate chip design, manufacturing and packaging in-house, procure IC substrates directly for their own packaging operations. The finished IC products are ultimately used in downstream industries such as smart devices, AI and HPC, memory, automotive and robotics, and network communications.

IC Substrate Market Industry Chain



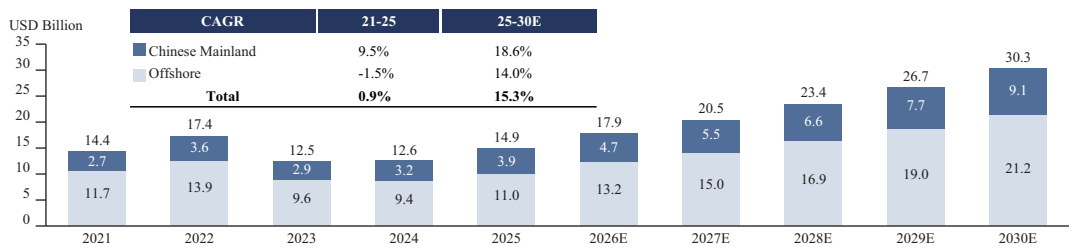
Source: Frost & Sullivan

IC SUBSTRATE MARKET SIZE

From 2021 to 2025, the global IC substrate market size increased from US$14.4 billion to US$14.9 billion, at a CAGR of approximately 0.9%. A cyclical downturn of the semiconductor industry, weak consumer electronics demand, and industry-wide inventory digestion led to a contraction in 2023, followed by a recovery in 2024 and 2025. The global IC substrate market size is expected to further increase to US$30.3 billion by 2030, with a projected CAGR of 15.3% from 2025 to 2030, driven by surging AI computing demand, a sustained recovery in the server market and the rising penetration of advanced packaging.

Driven by global demand expansion, IC substrate manufacturers in Chinese Mainland continue to expand capacity. By production region, the IC substrate market size in Chinese Mainland increased from US$2.7 billion in 2021 to US$3.9 billion in 2025, at a CAGR of approximately 9.5%, and is projected to further increase to US$9.1 billion by 2030, at a CAGR of 18.6%, outpacing the global average.

IC Substrate Market Size (by production region in terms of manufacturers' revenue), Global, 2021–2030E



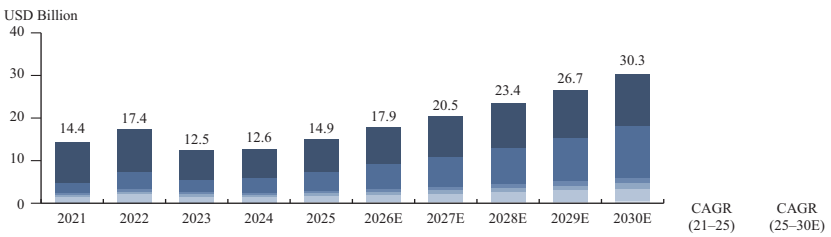
Source: Public information, Frost & Sullivan

Note:

(1) The market size of the Chinese Mainland refers to the revenue generated by IC substrate manufacturers located in the Chinese Mainland.

By downstream application, from 2021 to 2025, the market size of IC substrates used in AI and HPC increased from US$2.4 billion to US$4.5 billion, recording the highest growth among all downstream segments. From 2025 to 2030, this market size is expected to further increase to US$12.1 billion, with a projected CAGR of 22.1%. The market size of IC substrates used in smart device, memory, automotive and robotics and network communications are expected to increase to US$12.4 billion, US$1.2 billion, US$1.3 billion and US$3.0 billion, respectively, with projected CAGRs of 10.1%, 15.9%, 18.6% and 14.8%.

IC Substrate Market Size (by downstream application in terms of manufacturers' revenue), Global, 2021–2030E

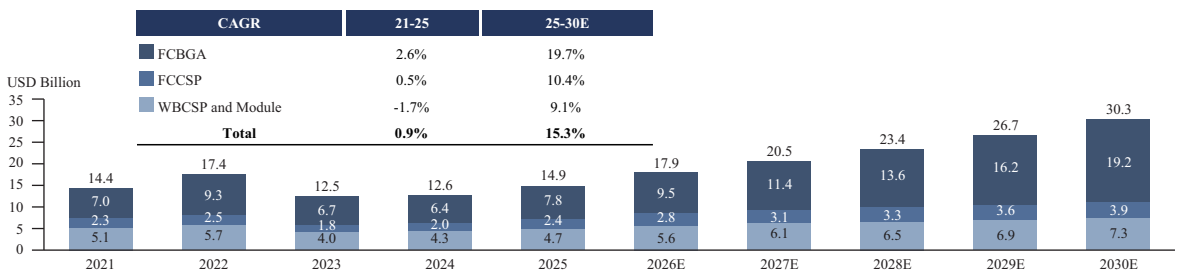


	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR (21–25)	CAGR (25–30E)
Smart Devices	9.6	10.2	7.0	6.9	7.6	8.8	9.7	10.5	11.4	12.4	-5.6%	10.1%
AI and HPC	2.4	4.0	3.0	3.4	4.5	5.7	7.0	8.4	10.1	12.1	17.2%	22.1%
Memory	0.5	0.6	0.5	0.5	0.6	0.7	0.8	1.0	1.1	1.2	4.2%	15.9%
Automotive and Robotics	0.4	0.6	0.5	0.5	0.5	0.7	0.8	0.9	1.1	1.3	5.1%	18.6%
Network Communications	1.3	1.9	1.4	1.3	1.5	1.8	2.0	2.3	2.6	3.0	2.6%	14.8%
Others	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	9.0%	19.7%
Total	**14.4**	**17.4**	**12.5**	**12.6**	**14.9**	**17.9**	**20.5**	**23.4**	**26.7**	**30.3**	**0.9%**	**15.3%**

Source: Public information, Frost & Sullivan

Based on the breakdown by product of the global IC substrate market from 2021 to 2025, the FCBGA substrate market size increased from US$7.0 billion to US$7.8 billion, maintaining a dominant position among various product segments. Meanwhile, the FCCSP substrate market size grew from US$2.3 billion to US$2.4 billion. FCBGA substrate, benefiting from rapidly increasing demand for servers, GPUs, AI accelerators, and advanced packaging, has become the core driver of market growth. FCCSP substrate, mainly driven by demand for smartphone AP, 5G/6G basebands, and on-device AI SoCs, has maintained steady growth overall. From 2025 to 2030, the FCBGA substrate and FCCSP substrate market sizes are expected to increase to US$19.2 billion and US$3.9 billion, respectively, with projected CAGRs of 19.7% and 10.4%.

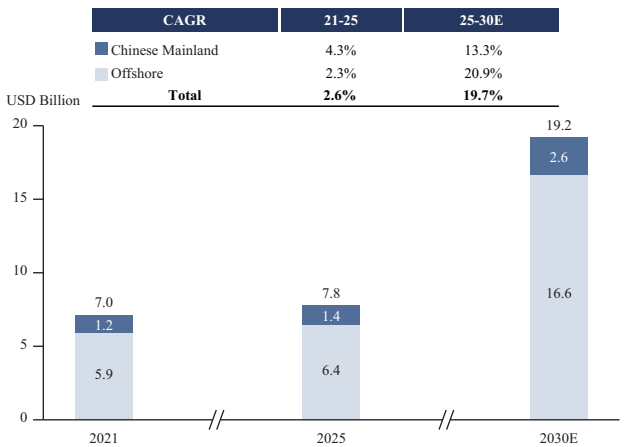
IC Substrate Market Size (by product in terms of manufacturers' revenue), Global, 2021–2030E



Source: Public information, Frost & Sullivan

By sales region, offshore markets accounted for the majority of global FCBGA substrate demand. In 2025, the offshore FCBGA substrate market reached US$6.4 billion, at approximately 82% of the global total, and is expected to increase to US$16.6 billion by 2030, at a CAGR of 20.9% from 2025 to 2030, significantly higher than the 13.3% for the Chinese Mainland over the same period. Such growth is primarily attributable to the concentration of advanced packaging capacity in offshore regions such as Chinese Taiwan and South Korea, which has established offshore regions as the core hub of FCBGA substrate demand.

FCBGA Substrate Market Size (by sales region in terms of manufacturers' revenue), Global, 2021–2030E



Source: Public information, Frost & Sullivan

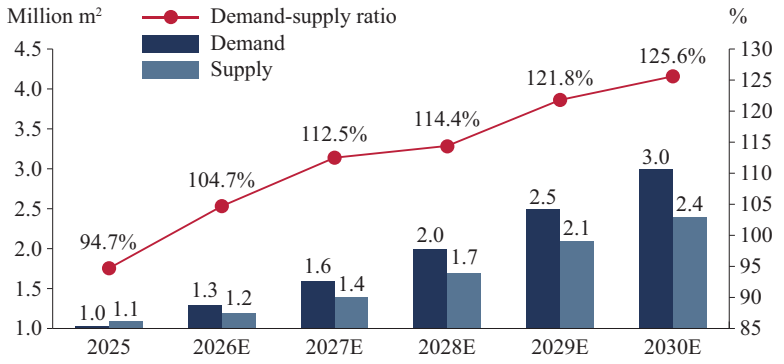
Note:

(1) The market size of the Chinese Mainland refers to the product sales revenue generated within the Chinese Mainland.

Supply and Demand Analysis of FCBGA Substrate Market

The demand-supply ratio is calculated as total unconstrained market demand divided by total manufacturing output. The global FCBGA substrate market remained in oversupply in 2025, with the ratio at 94.7%, below the equilibrium threshold of 100%. Supported by accelerating investment in AI infrastructure and the rapid expansion of high-performance computing applications, the ratio is expected to increase steadily over the long term, signaling a structural tightening in supply-demand balance. By 2030, the ratio is projected to reach 125.6%, indicating a transition from oversupply to a persistent undersupply condition in the global FCBGA substrate market.

Demand-Supply Ratio of FCBGA Substrate, Global, 2021–2030E



Source: Frost & Sullivan

Market Drivers and Development Trends of the IC Substrate Industry

The upgrading of applications across multiple downstream industries jointly drives the growth in IC substrate demand. The rapid development of fields such as AI and HPC, memory, network communications, and automotive and robotics imposes higher performance requirements on chips, thereby driving the continuous increase in demand for IC substrates. In AI and HPC, demand for high bandwidth, high computing power and low power consumption in AI servers and accelerated computing platforms is driving greater integration in advanced packaging, creating sustained demand for IC substrates with high-density interconnection, high-speed transmission and high-reliability packaging. In automotive and smart devices, electrification and intelligence are pushing autonomous driving platforms, intelligent cockpits, high-performance application processors and communication chips toward higher performance and integration, expanding demand for automotive-grade and consumer-grade IC substrates.

AI demand and advanced packaging are jointly driving demand for high-end IC substrates. As AI computing demand continues to be released, shipments of AI accelerator chips — including GPUs and various ASICs represented by TPUs — are growing rapidly; these chips feature high I/O density and large form factors and are primarily packaged using FCBGA substrates. At the same time, as Moore's Law slows, performance gains increasingly rely on advanced packaging, with 2.5D/3D packaging, Chiplet, Fan-Out and SiP enabling heterogeneous integration, multi-chip stacking and high-density interconnection. Together, these trends drive IC substrates toward higher layer counts, higher interconnection density, larger form factors and stricter warpage and reliability control, raising technical barriers and unit value, and underpinning demand for high-end FCBGA substrates in particular, as well as FCCSP substrates.

Tight supply-demand conditions in the high-end IC substrate market are driving capacity expansion. Driven by surging AI computing demand and the accelerated adoption of advanced packaging technologies, demand for IC substrates, particularly FCBGA substrates, is increasing rapidly. Meanwhile, long expansion cycles, high technical barriers, and constraints in the supply of key equipment and materials are expected to result in a supply shortage across the industry. In response, major manufacturers in Chinese Mainland are accelerating capacity expansion to meet growing demand from servers, GPUs, AI accelerators, and other downstream applications.

Production growth in the Chinese Mainland and demand-driven expansion. Against the backdrop of the regionalisation of the global semiconductor supply chain, the IC substrate industry exhibits a pattern of coordinated development across the Chinese Mainland and offshore markets. In the Chinese Mainland, domestic capacity continues to expand, driving rapid growth in production. In the offshore market, leveraging their concentration of chip-design and advanced packaging capacity, regions undertake global AI chip packaging demand, sustaining continued expansion in IC substrate demand.

Technology continues to advance toward higher-end and higher-precision solutions. With the development of advanced packaging technologies, key technical parameters of IC substrates continue to advance. Line width/spacing (L/S) is evolving from 10/10μm towards 8/8μm, 5/5μm, and below. Layer count structure, wiring density, and inter-layer alignment accuracy are constantly improving. At the same time, to accommodate multi-chip system integration and ultra-large package requirements, the size of IC substrates is continuously expanding, imposing higher demands on warpage control, structural stability, and manufacturing precision, pushing the industry towards high-end and precision directions.

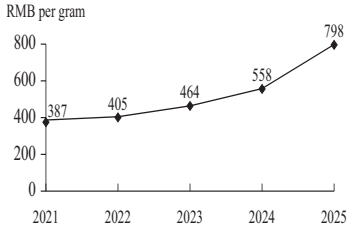
Accelerated advancement of intelligent manufacturing. As the complexity of IC substrate manufacturing increases, the degree of collaborative innovation across the industry chain continues to grow. At the same time, the application of automation equipment, industrial internet, and data analysis technology in the manufacturing process is accelerating, driving the upgrade of production processes towards digitalization and intelligent operations. Through process data management and intelligent scheduling systems, companies can continuously improve product quality and production efficiency.

Analysis of Raw Material Prices in the IC Substrate Industry

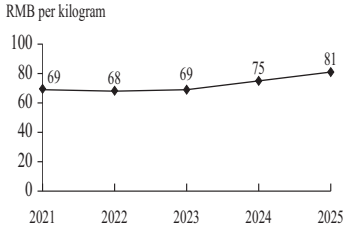
IC substrate production relies heavily on various high-performance materials, some of which, such as ABF, are supplied by only a limited number of manufacturers globally. Fluctuations in upstream raw material prices, together with the relatively concentrated supply of certain key materials, have a certain impact on the industry's cost structure.

Copper is the main raw material for copper foil and related conductive materials. The average copper price in Chinese Mainland was approximately RMB69 per kilogram in 2021. From 2021 to 2023, it remained at a relatively high level overall with periodic fluctuations. Driven by growing demand from the semiconductor and new energy industries, copper prices trended upward from 2023 to 2025. By 2025, the copper price reached approximately RMB81 per kilogram. Gold is a core material for the surface finishing process of IC substrates. Its average price was approximately RMB387 per gram in 2021. Subsequently, driven by factors such as global inflation, geopolitical disturbances, and increased safe-haven demand, it generally showed an upward trend, reaching approximately RMB798 per gram in 2025. CCL is one of the key base materials used in the manufacture of IC substrates. Supported by strong downstream demand from the electronics industry and rising upstream raw material costs, the CCL price index remained at a relatively high level in 2021. From 2022 to 2023, weakening downstream demand led to a significant decline in the CCL price index, which reached a cyclical low in 2023. During 2024 and 2025, driven by recovering demand from AI servers, high-speed communications, and intelligent terminal devices, together with a rebound in certain upstream raw material prices, the CCL price index gradually recovered and exceeded its 2021 level in 2025. Driven by both robust downstream demand and rising upstream raw material prices, the prices of IC substrates are expected to increase accordingly.

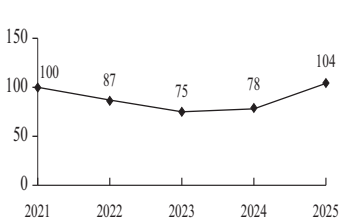
Average Gold Market Price, Chinese Mainland, 2021–2025



Average Copper Market Price, Chinese Mainland, 2021–2025



CCL Price Index, 2021–2025



Source: Frost & Sullivan

COMPETITIVE ANALYSIS OF THE IC SUBSTRATE INDUSTRY

Ranking and Market Share Analysis of IC Substrate Manufacturers

The IC substrate market in the Chinese Mainland is relatively concentrated and highly competitive. In 2025, the top three manufacturers in the Chinese Mainland IC substrate market held a combined market share of 37.9%. Based on revenue in 2025, the Company ranked third among Chinese Mainland IC substrate manufacturers with RMB2.8 billion, holding a market share of 10.3%.

The global IC substrate market is also relatively concentrated and competitive, with the top three manufacturers accounting for 37.4% of the market in 2025. Among the top 20 IC substrate suppliers globally by revenue in 2025 , the Company ranked first in revenue CAGR from 2023 to 2025.

Ranking of IC Substrate Manufacturers in Chinese Mainland, By Revenue, 2025

Rank	Company	Revenue (RMB Billion)	Market Share (%)
1	Company A[(1)]	4.1	15.1%
2	Company B[(2)]	3.4	12.5%
3	**The Company**	**2.8**	**10.3%**
Others		17.1	62.1%
Total		**27.5**	**100.0%**

Source: Public company announcements, expert interviews, Frost & Sullivan

Notes:

(1) Company A is a publicly listed company founded in 1984, headquartered in Shenzhen, China and listed on the SZSE, primarily engaged in printed circuit boards, IC substrates and electronic assembly.

(2) Company B, a subsidiary of a publicly listed company that was founded in 1990 and listed on the TWSE, is headquartered in Suzhou, China, and primarily engaged in IC substrates for advanced IC packaging.

In 2025, the top three manufacturers in the Chinese Mainland FCBGA substrate market held a combined market share of 58.7%. Based on revenue in 2025, the Company ranked third among Chinese Mainland FCBGA substrate manufacturers with RMB1.0 billion, holding a market share of 12.5%. In 2025, the top three manufacturers in the Chinese Mainland FCCSP substrate market held a combined market share of 38.2%. Based on revenue in 2025, the Company ranked third among Chinese Mainland FCCSP substrate manufacturers with RMB1.1 billion, holding a market share of 11.9%. The FCBGA substrate market in the Chinese Mainland is more concentrated than the FCCSP substrate market, primarily due to its higher technical and capital barriers.

Ranking of FCBGA Substrate Manufacturers in Chinese Mainland, By Revenue, 2025

Company	Revenue (RMB Billion)	Market Share (%)
Company B	2.0	25.3%
Company C[(1)]	1.6	20.9%
The Company	**1.0**	**12.5%**
Others	3.2	41.3%
Total	**7.7**	**100.0%**

Ranking of FCCSP Substrate Manufacturers in Chinese Mainland, By Revenue, 2025

Company	Revenue (RMB Billion)	Market Share (%)
Company B	1.2	13.4%
Company A	1.2	12.9%
The Company	**1.1**	**11.9%**
Others	5.6	61.8%
Total	**9.1**	**100.0%**

Source: Expert interviews, Frost & Sullivan

Note:

(1) Company C, a subsidiary of a publicly listed company that was founded in 1987 and listed on the Vienna Stock Exchange, is headquartered in Shanghai, China, and primarily engaged in printed circuit boards and IC substrates.

Analysis of Entry Barriers in the IC Substrate Market

High capital investment, scale-up capability and intelligent manufacturing requirements. IC substrate production demands high equipment precision, cleanroom standards and automation, with substantial fixed-asset investment and long payback periods that continue to rise as products move toward higher layer counts and precision. Mass-production capacity directly affects cost control and profitability, and companies must also rapidly expand capacity and ramp up production to capture demand. As the semiconductor industry evolves toward greater automation, intelligent manufacturing capabilities — achieved through production-line automation, equipment interconnection (e.g., standards such as SECS) and data analytics — have become essential to ensuring stable production, giving established players a significant scale and capability advantage that new entrants struggle to match.

High technology, process, quality and talent barriers. IC substrate manufacturing involves high-density interconnection, multi-layer fine-line routing and compatibility with complex packages, imposing stringent requirements on line width/spacing control, inter-layer alignment accuracy and long-term reliability. It requires the coordination of materials, processes, equipment and quality management, as well as interdisciplinary technical talent. As 2.5D/3D packaging and Chiplet architectures gain traction and technological iteration accelerates, achieving stable mass production requires long-term R&D, accumulated process know-how and experienced technical and management teams — capabilities new entrants find hard to build quickly.

Long customer qualification cycles and stable customer relationships. IC substrates are widely used in fields such as AI and HPC, network communications, automotive and robotics, where downstream customers have high requirements for product consistency and reliability. Companies typically need to undergo multiple rounds of testing and verification before being admitted to a customer's approved supplier system. Once established, partnerships tend to be stable, making it difficult for new entrants to achieve breakthroughs in the short term.

Increasing importance of supply chain collaboration capabilities. High-end IC substrates rely heavily on upstream key materials, and the supply of some core materials is still relatively concentrated. Companies with stable material access and supply chain management capabilities have advantages in cost and delivery. While the supply environment is gradually improving with domestic substitution, overall requirements remain high.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan, an independent market research consultant, to conduct an analysis of and prepare a report on the global IC substrate industry for use in this document, for which we paid a fee of RMB600,000. The Frost & Sullivan Report was compiled based on the following assumptions: (i) global and China's social, economic and political environment will remain stable during the forecast period; and (ii) the key drivers of the relevant industry will continue to drive the market during the forecast period. All forecasts in relation to market size are based on the general economic conditions as of the Latest Practicable Date. Unless otherwise indicated, all data and forecasts contained in this section are derived from the Frost & Sullivan Report. The Frost & Sullivan Report was independently prepared by Frost & Sullivan and was not influenced by us or other interested parties.

Frost & Sullivan is an independent global consulting company founded in New York in 1961, whose services include, among others, industry consulting, market strategy consulting and corporate training. Frost & Sullivan conducted (i) primary research, including discussions with certain leading industry participants on the industry's current status and interviews with industry experts on a best-effort basis to collect data to assist in its in-depth analysis; and (ii) secondary research, including reviewing company reports, independent research reports and data from its own research databases.

Our Directors, after taking reasonable care, confirm that to the best of their knowledge, there is no material adverse change in the market information since the date of the relevant data contained in the Frost & Sullivan Report and up to the Latest Practicable Date which may qualify, contradict or have an impact on the information in this section.

OVERVIEW OF THE LAWS AND REGULATIONS IN THE PRC

Regulations Relating to Foreign Investment

The establishment, operation and management of PRC-incorporated entities are governed by the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) (the "PRC Company Law"). The PRC Company Law was promulgated by the Standing Committee of the National People's Congress (the "NPCSC") on December 29, 1993, and was most recently amended on December 29, 2023 and became effective from July 1, 2024, applying to all companies established in China, including wholly foreign-owned enterprises, unless otherwise provided by laws related to foreign investment.

The *Foreign Investment Law of the People's Republic of China* (《中華人民共和國外商投資法》) promulgated by the National People's Congress (the "NPC") on March 15, 2019 establishes the basic regulatory framework for foreign investment. This law came into effect on January 1, 2020. The Law stipulates that: (1) foreign natural persons, enterprises or other organizations (collectively referred to as "foreign investors") are prohibited from investing in sectors which are specified in the Negative List for Foreign Investment Access (the "Negative List") as "prohibited" for foreign investment; (2) sectors which are specified in the Negative List as "restricted" for foreign investment, foreign investors shall comply with the conditions set out in the Negative List when making investments; (3) sectors outside the Negative List shall be administered under the principle of "equal treatment for both domestic and foreign investments".

According to the *Measures for the Information Reporting of Foreign Investment* (《外商投資信息報告辦法》) promulgated by the Ministry of Commerce of the PRC (the "MOFCOM") and the State Administration for Market Regulation of the PRC (the "SAMR") on December 30, 2019 and effective from January 1, 2020, the specific requirements of the foreign investment information reporting system are clarified. Where a foreign investor makes an investment directly or indirectly within the territory of China, the foreign investor or the foreign-invested enterprise shall report investment information to the competent commerce department through the enterprise registration system and the enterprise credit information public announcement system in accordance with these Measures.

According to the *Implementation Rule for the Foreign Investment Law of the PRC* (《中華人民共和國外商投資法實施條例》) promulgated by the State Council of the PRC (the "State Council") on December 26, 2019 and effective from January 1, 2020, the State shall, in accordance with the needs of the national economy and social development, formulate an industry catalog encouraging foreign investment, specifying the specific industries, fields and regions where foreign investors are encouraged and guided to invest.

According to the *Measures for the Security Review of Foreign Investment* (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investment that affects or may affect national security is subject to security review in accordance with the provisions of these Measures. Within the following scope of foreign investment, foreign investors or relevant domestic parties shall proactively file an application with the Office of the Working Mechanism before making an investment: (1) investment in areas related to national defense security such as military industry, military supporting industries, and investment in the periphery of military installations and military industrial facilities; (2) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and internet products and services, important financial services, key technologies, and other important areas that are related to national security, and obtaining actual control over the invested enterprise.

According to the *Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition)* (《外商投資准入特別管理措施(負面清單)(2024年版)》) promulgated by the National Development and Reform Commission (the "NDRC") and the MOFCOM on September 6, 2024 and effective from November 1, 2024, industries not listed in the Negative List are generally deemed as permitted for foreign investment. Pursuant to the above list, the industry in which the Company operates is not a restricted or prohibited industry for foreign investment.

According to the *Industry Catalog Encouraging Foreign Investment (2025 Edition)* (《鼓勵外商投資產業目錄(2025年版)》) promulgated by the NDRC and the MOFCOM on December 15, 2025 and effective from February 1, 2026, in accordance with the needs of the national economy and social development, foreign investors are encouraged and guided to invest in specific industries, fields and regions. The Company's IC substrates business is within the scope of industries encouraged for foreign investment.

Laws, Regulations and Policies Relating to the Integrated Circuit Industry

The primary regulatory authority for the Company's industry is the Ministry of Industry and Information Technology of the PRC (the "MIIT"). Its main responsibilities include: formulating industry development strategies, plans and industrial policies; formulating technical standards, guiding technological innovation and progress in the industry; organizing the implementation of key national science and technology projects, and promoting the industrialization of scientific and technological achievements.

On October 10, 2010, the State Council issued the *Decision of the State Council on Accelerating the Cultivation and Development of Strategic Emerging Industries* (《國務院關於加快培育和發展戰略性新興產業的決定》), stipulating vigorous development of core basic industries such as integrated circuits, new displays, high-end software and high-end servers.

On January 28, 2011, the State Council issued the *Several Policies for Further Encouraging the Development of the Software Industry and the Integrated Circuit Industry* (《進一步鼓勵軟件產業和集成電路產業發展的若干政策》), making efforts to fully utilize multiple funding channels to further increase support for technological innovation; fully leverage the leading role of major national science and technology projects, vigorously support the research and development of major key technologies for software and integrated circuits, strive for overall breakthroughs in key technologies, accelerate the promotion of industrialization and independent intellectual property technologies; focus on the goal of cultivating strategic emerging industries, support the research and development of basic software, next-generation information network high-end software, industrial software, digital content software, high-end chips, integrated circuit equipment and integrated circuit process technology, key materials for integrated circuits, key application systems, as well as the formulation of important technical standards.

On June 24, 2014, the State Council issued the *National Outline for the Development of the Integrated Circuit Industry* (《國家集成電路產業發展推進綱要》), pointing out that the development goal of the IC industry is to reach internationally advanced levels in the main segments of the IC industry chain by 2030, with a number of enterprises entering the international first tier, achieving leapfrog development. The main tasks and development priorities are to focus on developing the IC design industry, strengthen the IC design, software development, system integration, content and service collaborative innovation around the industrial chain of key areas, and drive manufacturing development through the rapid growth of the design industry.

On November 29, 2016, the State Council issued the "*13th Five-Year" National Strategic Emerging Industries Development Plan* (《"十三五"國家戰略性新興產業發展規劃》), initiating a planning project for major productivity layout in integrated circuits, implementing a number of leading

projects, and promoting rapid leaps in industrial capacity. Accelerate the construction of production lines for advanced manufacturing processes, memory, specialty processes, etc., enhance the design and development capabilities and application levels of key products such as secure and reliable CPUs, digital-to-analog/analog-to-digital converter chips, digital signal processing chips, and promote the rapid development of packaging and testing, key equipment and materials industries. Support the improvement of service levels of foundries and third-party IP core companies, support collaborative innovation between design companies and manufacturing companies, and promote increased industrial concentration in key links. Promote collaborative innovation in the semiconductor display industry chain.

On 25 January 2017, the National Development and Reform Commission (the "NDRC") issued the Catalog of Key Products and Services in Strategic Emerging Industries (2016 Edition) (《戰略性新興產業重點產品和服務指導目錄(2016版)》), setting out 174 sub-directions under 40 key areas across eight industries within five major sectors, covering nearly 4,000 specific products and services, including: IC chip packaging.

On July 27, 2020, the State Council issued the *Several Policies for the High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era* (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》), encouraging the development of IC material enterprises and providing policy support in areas such as fiscal and taxation, investment and financing, research and development, import and export, talent, and intellectual property.

On December 11, 2020, the MOF, the State Taxation Administration of the PRC (the "STA"), the NDRC, and the MIIT jointly issued the *Announcement on Corporate Income Tax Policies to Promote the High-Quality Development of the Integrated Circuit and Software Industries* (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》), stipulating that for nationally encouraged IC design, equipment, materials, packaging, testing enterprises and software enterprises, the enterprise income tax will be exempted for the first to second years starting from the profitable year, and the enterprise income tax will be halved at the statutory tax rate of 25% for the third to fifth years.

On March 11, 2021, the NPC adopted the *14th Five-Year (2021–2025) Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035* (《中華人民共和國國民經濟和社會發展第十四個五年(2021–2025年)規劃和2035年遠景目標綱要》), which proposes that the state shall focus on nurturing advanced manufacturing clusters and promoting the innovative development of the integrated circuit industry and other industries.

On December 27, 2023, the NDRC issued the *Industry Structure Adjustment Guidance Catalog (2024 Edition)* (《產業結構調整指導目錄(2024年本)》), where encouraged categories include: high-density interconnect build-up boards, single-layer, double-layer and multi-layer flexible boards, rigid-flex printed circuit boards and packaging substrates, which are technologies, equipment and products that play a significant role in promoting economic and social development. The Catalog sets forth the need to accelerate the establishment of an intelligent, green and integrated modern industrial system that meets the requirements of completeness, advancement and security.

In April 2023, the MOF and the STA jointly issued the *Notice of the Ministry of Finance and the State Taxation Administration on the VAT Super Deduction Policy for Integrated Circuit Enterprises* (《財政部、稅務總局關於集成電路企業增值稅加計抵減政策的通知》), allowing enterprises engaged in IC design, production, packaging and testing, equipment and materials, from January 1, 2023 to December 31, 2027, to deduct 15% of the current period's deductible input VAT against the output VAT payable.

On March 13, 2026, the NPC adopted the *15th Five-Year Plan for National Economic and Social Development of the PRC* (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》), which proposes focusing on strategic areas of contest and weak links in the industrial chain and supply chain, taking unconventional measures to promote, across the entire chain, decisive breakthroughs in the research and development of key core technologies in key areas including integrated circuits.

Laws and Regulations Relating to the Import and Export of Goods

According to the *Foreign Trade Law of the PRC* (《中華人民共和國對外貿易法》) promulgated by the NPCSC on May 12, 1994 and most recently amended on December 27, 2025, and the *Regulations of the PRC on the Administration of Import and Export of Goods* (《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, most recently amended on March 10, 2024 and effective from May 1, 2024, except for goods whose import or export is explicitly prohibited or restricted by laws or administrative regulations, the State Council permits the free import and export of goods, maintaining a fair, free and orderly import and export trade order. At the same time, the requirement for foreign trade operators engaging in the import or export of goods or technologies to complete registration and filing with the competent foreign trade department of the State Council or its authorized institution has been abolished.

According to the *Customs Law of the PRC* (《中華人民共和國海關法》) promulgated by the NPCSC on January 22, 1987 and amended on April 29, 2021, the customs is the state's supervisory and administrative organ for entry into and exit from the customs territory ("entry-exit"), responsible for supervising and controlling, in accordance with the law, means of transport, goods, baggage items, postal items and other articles entering or exiting the territory, collecting customs duties and other taxes and fees, suppressing smuggling, compiling customs statistics and handling other customs affairs. Unless otherwise specified, the declaration and payment of customs duties for imported and exported goods can be handled by the consignee or consignor of the import/export goods or by entrusting a customs declaration enterprise. Consignees, consignors of import/export goods, and customs declaration enterprises shall, in accordance with the law, complete customs declaration filing procedures with the relevant customs.

According to the *Law of the PRC on the Inspection of Import and Export Commodities* (《中華人民共和國進出口商品檢驗法》) promulgated by the NPCSC on February 21, 1989 and most recently amended on April 29, 2021, and the *Regulations on the Implementation of the Import and Export Commodity Inspection Law of the PRC* (《中華人民共和國進出口商品檢驗法實施條例》) amended by the State Council on March 29, 2022 and effective from May 1, 2022, the General Administration of Customs of the PRC (the "GAC") is in charge of the inspection of import and export commodities nationwide. The entry-exit inspection and quarantine authorities and their branches (the "entry-exit inspection and quarantine authorities") established by the GAC in provinces, autonomous regions, municipalities directly under the central government, as well as ports and distribution centers for import and export commodities, are responsible for the administration of the inspection of import and export commodities within their respective jurisdictions. The consignor of export goods subject to statutory inspection shall, at the place and within the time limit uniformly prescribed by the GAC, present the necessary documents such as contracts and relevant approval documents to the entry-exit inspection and quarantine authorities for inspection application. Export goods subject to statutory inspection that have not been inspected or have failed inspection are not permitted to be exported.

According to the *Provisions of the GAC on the Filing Administration of Customs Declaration Units* (《中華人民共和國海關報關單位備案管理規定》) promulgated by the GAC on November 19, 2021 and effective from January 1, 2022, consignees, consignors of imported or exported goods, or customs

declaration enterprises only need to apply for filing with the customs, and no longer need to register with the GAC. Filing information will be made public through the China Customs Enterprise Import and Export Credit Information Publicity Platform.

Laws, Regulations and Policies Relating to Outbound Investment

According to the *Measures for the Administration of Outbound Investment by Enterprises* (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and effective from March 1, 2018, investment activities such as obtaining ownership or management rights of overseas enterprises or assets constitute outbound investment. Investment entities shall, according to the specific circumstances of outbound investment, go through approval or filing procedures, report relevant information, and cooperate with supervision and inspection. Development and reform departments at all levels are the supervisory and administrative authorities for outbound investment.

According to the *Measures for the Administration of Outbound Investment* (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and effective from October 6, 2014, enterprises established within the territory of China that, through new establishment, merger and acquisition, or other means, own non-financial enterprises overseas or obtain the ownership, control, management rights, and other rights and interests of existing non-financial enterprises overseas shall, depending on the specific circumstances, go through filing or approval procedures. Commerce departments at all levels are the supervisory authorities for outbound investment management.

According to the *Regulations of the PRC on Foreign Exchange Administration* (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Regulations") promulgated by the State Council on January 29, 1996, amended on August 1, 2008 and effective from August 5, 2008, and the Provisions on the Administration of Foreign Exchange for Direct Outbound Investment by Domestic Institutions promulgated by the State Administration of Foreign Exchange (the "SAFE") on July 13, 2009 and effective from August 1, 2009, foreign exchange administrative authorities at all levels are the supervisory and administrative authorities for foreign exchange administration. After a domestic institution's direct outbound investment has been filed or approved by the competent outbound investment department, it shall go through foreign exchange registration for direct outbound investment with the local SAFE branch, explaining the sources of foreign exchange funds for the outbound investment. Furthermore, according to the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Administration Policies on Direct Investment promulgated by the SAFE on February 13, 2015 and effective from June 1, 2015, the foreign exchange registration for direct outbound investment is directly reviewed and processed by Chinese-funded foreign exchange designated banks, while the SAFE and its branches implement indirect supervision over direct investment foreign exchange registration through banks.

According to the Provisions of the State Council on Outward Investment (《國務院關於對外投資的規定》) promulgated by the State Council on May 5, 2026, and effective from July 1, 2026, when conducting outward investment, investors shall not directly export or use, nor transfer through any disguised means such as cross-border dispatch of personnel, provision of guidance, or arrangement of training, any goods, technologies, services, and related data that are prohibited or restricted from export without permission by the State; meanwhile, outward investments as well as the transfer and disposal of related assets that affect or may affect national security must undergo national security review in accordance with the law. During this process, relevant organizations and individuals shall assist and cooperate, shall not refuse or hinder in any way, and must strictly comply with and implement the review decisions.

Laws and Regulations Relating to Foreign Exchange Administration

The *Foreign Exchange Regulations*《外匯管理條例》stipulate that the RMB is freely convertible under current account items. Conversion of RMB for capital account items requires approval from the SAFE. Foreign-invested enterprises may, in accordance with the law, convert their foreign exchange capital contributions into RMB for domestic investment.

The *Notice of the SAFE on Issues Concerning the Administration of Foreign Exchange for Overseas Listings* (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014 stipulates that the SAFE and its branches and foreign exchange administration departments shall supervise, manage and inspect the business registration, account opening and use, cross-border receipts and payments, and currency conversion related to the overseas listing of domestic companies. A domestic company shall, within 15 working days after the completion of the overseas listing issuance, submit relevant materials to the local SAFE branch where it is registered to complete the overseas listing registration.

The *Notice of the SAFE on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment* (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) issued by the SAFE on June 9, 2016 stipulates that foreign exchange funds raised by domestic enterprises from overseas listings can be directly remitted into their capital account settlement accounts, and funds within the capital account settlement accounts can be used for independent settlement in RMB.

Laws and Regulations Relating to Land, Planning and Construction Permits

Land Use Rights

According to the *Land Administration Law of the PRC* (《中華人民共和國土地管理法》) promulgated by the NPCSC on June 25, 1986, most recently amended on August 26, 2019 and effective from January 1, 2020, the *Interim Regulations on Real Estate Registration* (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, most recently amended on March 10, 2024 and effective from May 1, 2024, and other regulations, land owned by the State may be allocated or granted by law, and changes in real property rights must be registered to take effect.

Land Use Planning Permit

According to the *Urban and Rural Planning Law of the PRC* (《中華人民共和國城鄉規劃法》) (the "*Urban and Rural Planning Law*") promulgated by the NPCSC on October 28, 2007, most recently amended and effective from April 23, 2019, entities that have legally obtained state-owned land use rights must obtain this permit; otherwise, the approval document will be revoked, and the land should be returned.

Construction Project Planning Permit

According to the *Urban and Rural Planning Law* (《城鄉規劃法》), applying for this permit is required for construction within an urban planning area. Construction without a permit will face fines, demolition, and other penalties.

Construction Permit

According to the *Construction Law of the PRC* (《中華人民共和國建築法》) (the "*Construction Law*") promulgated by the NPCSC on November 1, 1997, most recently revised and effective from April 23, 2019, and the *Regulations on the Administration of Construction Project Quality* (《建設工程質量管

理條例》) promulgated by the State Council on January 30, 2000, most recently amended and effective from April 23, 2019, a construction permit must be applied for before construction commences. Construction without a permit will result in an order to stop work and a fine.

Completion Acceptance Filing

According to the *Construction Law* and the *Regulations on the Administration of Construction Project Quality*, after project completion, acceptance must be passed and filing completed. Unauthorized delivery for use without acceptance or failing inspection will result in fines and compensation for losses.

Laws and Regulations Relating to Property Leasing

According to the *Urban Real Estate Administration Law of the PRC* (《中華人民共和國城市房地產管理法》) promulgated by the NPCSC on July 5, 1994, most recently amended on August 26, 2019 and effective from January 1, 2020, the lessor and lessee must sign a written lease contract for property leasing, including clauses such as the lease term, usage, rent, and maintenance responsibilities and other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

Furthermore, according to the *Measures for the Administration of Commercial Housing Leasing* (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and effective from February 1, 2011, within 30 days after the conclusion of a commercial housing lease contract, the parties to the lease shall go through commercial housing lease registration with the construction (real estate) administrative department of the municipality directly under the central government or the city or county people's government where the leased property is located. Individuals or units violating the above provisions may be ordered by the competent construction (real estate) authority of the municipality directly under the central government, city or county people's government to rectify within a specified period.

Laws and Regulations Relating to Environmental Protection

According to the *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》) promulgated by the NPCSC on December 26, 1989, most recently amended on April 24, 2014 and effective from January 1, 2015, the *Law of the PRC on Environmental Impact Assessment* (《中華人民共和國環境影響評價法》) promulgated on October 28, 2002, most recently amended and effective from December 29, 2018, and the *Regulations on the Administration of Environmental Protection for Construction Projects* (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, most recently amended on July 16, 2017 and effective from October 1, 2017, the State implements classified management for environmental impact assessment of construction projects based on the degree of environmental impact; the construction unit shall prepare an environmental impact report, an environmental impact report form, or fill out an environmental impact registration form according to relevant regulations. If the environmental impact assessment documents for a construction project have not been reviewed by the competent approval department according to law or have been reviewed but not approved, the construction unit shall not commence construction.

According to the *Measures for the Administration of Pollutant Discharge Permits* (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC (the "MEE") on April 1, 2024 and effective from July 1, 2024, the *Regulations on the Administration of Pollutant Discharge Permits* (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective from March 1, 2021, and the *Catalog of Classified Administration of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition)* (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated and effective from December 20, 2019 by the MEE, the State implements key

administration, simplified administration, and registration management for pollutant discharge permits based on factors such as the amount of pollutants generated, the amount discharged, and the degree of environmental impact. Enterprises, public institutions, and other business operators subject to pollutant discharge permit management must discharge pollutants in accordance with the requirements of the pollutant discharge permit; those without a pollutant discharge permit must not discharge pollutants. The competent environmental protection authorities impose various administrative penalties on individuals or enterprises that violate the Environmental Protection Law; pollutant discharge units subject to registration management are not required to apply for a pollutant discharge permit.

Laws and Regulations Relating to Energy Conservation

According to the *Energy Conservation Law of the PRC* (《中華人民共和國節約能源法》) promulgated by the NPCSC on November 1, 1997, most recently amended and effective from October 26, 2018, and the *Measures for Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects* (《固定資產投資項目節能審查和碳排放評價辦法》) promulgated by the NDRC on July 17, 2025 and effective from September 1, 2025, the State implements an energy conservation assessment and review system, and projects that fail the energy conservation review must not commence construction or be put into use.

Laws and Regulations Relating to Data, Network and Information Security

These include the *Cybersecurity Law of the PRC* (《中華人民共和國網絡安全法》) promulgated by the NPCSC on November 7, 2016, most recently amended on October 28, 2025 and effective from January 1, 2026; the *Data Security Law of the PRC* (《中華人民共和國數據安全法》) promulgated on June 10, 2021 and effective from September 1, 2021; the *Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》) promulgated on August 20, 2021 and effective from November 1, 2021; the *Measures for Cybersecurity Review* (《網絡安全審查辦法》) jointly issued by the Cyberspace Administration of China (the "CAC"), the NDRC, the MIIT, and other ministries on November 16, 2021 and effective from February 15, 2022; the *Regulations on the Administration of Network Data Security* (《網絡數據安全管理條例》) promulgated by the State Council on August 30, 2024 and effective from January 1, 2025; the *Measures for the Security Assessment of Data Export* (《數據出境安全評估辦法》) promulgated by the CAC on July 7, 2022 and effective from September 1, 2022, among others.

Laws and Regulations Relating to Intellectual Property Rights

Patents

According to the *Patent Law of the PRC* (《中華人民共和國專利法》) promulgated by the NPCSC on March 12, 1984, most recently amended on October 17, 2020 and effective from June 1, 2021, and the *Implementation Regulations of the Patent Law of the PRC* (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and effective from January 20, 2024, the categories of inventions and creations for which patents can be applied include inventions, utility models and designs. China's patent system adopts the "first-to-file" principle, meaning that if two or more applicants file patent applications for the same invention or creation separately, the patent right will be granted to the person who filed first. The term of an invention patent is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all calculated from the filing date. After the grant of an invention or utility model patent, except as otherwise provided in the Patent Law, no entity or individual may, without the authorization of the patentee, exploit the patent, i.e., manufacture, use, offer to sell, sell, or import the patented product, or use the patented method, or use, offer to sell, sell, or import the product directly obtained through the patented method for production or business purposes.

Trademarks

According to the *Trademark Law of the PRC* (《中華人民共和國商標法》) promulgated by the NPCSC on August 23, 1982, most recently amended on April 23, 2019 and effective from November 1, 2019, and the *Implementation Regulations of the Trademark Law of the PRC* (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, most recently amended on April 29, 2014 and effective from May 1, 2014, which stipulate the procedures for trademark registration, cancellation, renewal, modification, assignment, and invalidation. According to the aforementioned legislation, the term of a registered trademark is 10 years, calculated from the date of approval of registration. If the trademark registrant needs to continue using the trademark, it shall go through the renewal procedures within 12 months before the expiration of the term. If the renewal procedures are not completed within the specified period, a grace period of six months may be granted to complete the renewal procedures. The validity period of each renewal of trademark registration is 10 years, calculated from the day after the expiration of the previous valid period of the trademark. If the renewal procedures are not completed upon expiration, the registered trademark shall be canceled.

Computer Software Copyright

According to the *Regulations on the Protection of Computer Software* (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, most recently amended on January 30, 2013 and effective from March 1, 2013, and the Measures for the *Registration of Computer Software Copyright* (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC on April 6, 1992, most recently amended and effective from February 20, 2002, computer software (software) refers to computer programs and related documentation. Chinese citizens, legal persons or other organizations enjoy copyright in the software they develop, whether or not it is published. Software copyright arises from the date on which the software development is completed. For software created by a legal person or other organization, the term of protection is 50 years, expiring on December 31 of the 50th year after the software was first published. However, if the software has not been published within 50 years from the completion of its development, it will no longer be protected.

Domain Names

According to the *Measures for the Administration of Internet Domain Names* (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective from November 1, 2017, the MIIT is the primary regulatory authority responsible for administering Internet domain names in China. Domain name registration is handled through domain name service agencies established in accordance with relevant regulations. Upon approval of the registration, the applicant becomes the domain name holder. The provincial communications administrations oversee and manage domain name services within their respective administrative regions. No organization or individual may obstruct the safe and stable operation of the Internet domain name system.

Laws and Regulations Relating to Labor and Employment, Social Insurance and Housing Provident Fund

According to the *Labor Law of the PRC* (《中華人民共和國勞動法》) promulgated by the NPCSC on July 5, 1994, most recently amended and effective from 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 NPCSC on June 29, 2007, last revised on December 28, 2012 and effective from July 1, 2013, employers shall conclude written labor contracts with workers, comply with minimum wage standards, and establish a labor safety system.

According to the *Social Insurance Law of the PRC* (《中華人民共和國社會保險法》) promulgated by the NPCSC on October 28, 2010, amended and effective from December 29, 2018, employers shall, within 30 days from the date of employment, apply for social insurance registration for their employees with the social insurance collection agency, and pay social insurance contributions in full and on time. Social insurance contributions include basic old-age insurance premiums, basic medical insurance premiums, work injury insurance premiums, unemployment insurance premiums, and maternity insurance premiums.

The *Regulations on the Administration of the Housing Provident Fund* (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, most recently amended and effective from March 24, 2019, stipulates that employers shall, within 30 days from the date of employing a worker, complete the housing provident fund deposit registration, and make housing provident fund deposits in full and on time.

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 31 July 2025 and effective on 1 September 2025, further provides that where an employer and an employee agree, or the employee undertakes to the employer, that social insurance contributions are not required, the people's court shall determine that such agreement or undertaking is null and void. Where the employer fails to pay social insurance contributions in accordance with the law, and the employee, pursuant to Article 38, item (3) of the Labor Contract Law, requests to terminate the labor contract and claims economic compensation from the employer, the people's court shall support such request in accordance with the law.

Laws and Regulations Relating to Taxation

Corporate Income Tax

According to the *Corporate Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》) promulgated by the NPCSC on March 16, 2007, most recently amended and effective from December 29, 2018, and the *Implementation Regulations of the Corporate Income Tax Law of the PRC* (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, most recently amended on December 6, 2024 and effective from January 20, 2025, resident enterprises shall pay corporate income tax on their income derived from within and outside the territory of China. The corporate income tax rate is 25%. The PRC government provides key support to high-tech enterprises, with a reduced corporate income tax rate of 15% for such enterprises.

Value-Added Tax

According to the *Value-Added Tax Law of the PRC* (《中華人民共和國增值稅法》) promulgated by the NPCSC on December 25, 2024 and effective from January 1, 2026, value-added tax is payable on the sale of goods, labor services, services, intangible assets, real estate, and the importation of goods. The tax rates are 13%, 9%, 6%, or zero, depending on the industry.

Laws and Regulations Relating to Dividend Distribution

The *PRC Company Law* stipulates that a company shall appropriate 10% of its after-tax profits as a statutory reserve until the accumulated amount reaches 50% of its registered capital. No profit distribution may be made before the company's losses have been made up.

Laws and Regulations Relating to Overseas Listings

According to the *Trial Administrative Measures for the Overseas Securities Offering and Listing by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the China Securities Regulatory Commission (the "CSRC") on February 17, 2023 and effective from March 31, 2023, unified filing administration is implemented for both direct and indirect overseas offerings and listings of securities by domestic enterprises. All issuers shall fulfill filing procedures with the securities regulatory authority under the State Council and report relevant information. For an issuer that goes public directly overseas, it shall file with the CSRC within three working days after submitting the overseas offering application documents. An issuer is not allowed to offer or list overseas under any of the following circumstances: (i) where laws, administrative regulations or relevant state provisions explicitly prohibit offering or listing for financing; (ii) where, upon review and determination by the competent relevant department under the State Council, the overseas offering or listing may jeopardize national security; (iii) where the domestic enterprise, or its controlling shareholder or de facto controller, has committed criminal offenses involving corruption, bribery, embezzlement, misappropriation of property, or disruption of the order of the socialist market economy within the last three years; (iv) where the domestic enterprise is under investigation for suspected criminal offenses or major violations of law or regulations, and no clear conclusion has been reached; (v) where there are significant ownership disputes over the shares held by the controlling shareholder of the domestic enterprise or shares held by other shareholders controlled by the controlling shareholder and/or de facto controller.

According to the *Provisions on Strengthening the Administration of Confidentiality and Archives for Overseas Securities Offering and Listing of Domestic Enterprises* (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC along with other relevant departments on February 24, 2023 and effective from March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material involving state secrets or secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies, or other entities or individuals, it shall report to the competent department with approval authority for approval in accordance with the law, and file with the confidentiality administrative department at the same level for record. Working papers formed within China by securities companies and securities service institutions providing corresponding services for the overseas listing of domestic enterprises shall be stored within China, and cross-border transfer shall require approval procedures in accordance with relevant state regulations.

OVERVIEW OF THE LAWS AND REGULATIONS IN CHINESE TAIWAN

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

REGULATIONS ON CROSS-BORDER INVESTMENT

In Chinese Taiwan, the fundamental legal framework governing the relationship between the people of the Taiwan Area and the Mainland Area is the Act Governing Relations between the People of the Taiwan Area and the Mainland Area (《台灣地區與大陸地區人民關係條例》). Pursuant to the Act, the Ministry of Economic Affairs (the "**MOEA**") has promulgated the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area (《在大陸地區從事投資或技術合作許可辦法》), which regulate investments made by individuals with Chinese Taiwan travel document, Chinese Taiwan-incorporated legal entities, organizations, or other institutions in Chinese Mainland.

Under these regulations, the regulatory regime for investments in Chinese Mainland distinguishes between "prohibited" and "general" categories. Investments falling within the prohibited category are not permitted. Investments not included in the prohibited list fall within the general category and are in principle, permissible subject to prior approval from the Department of Investment Review of the MOEA (the "**DIR**").

For investments in the general category below certain thresholds (e.g., an accumulated investment amount of up to US$1 million per project), no prior approval is required and a post-investment filing with the DIR shall be made within six months after the completion of the investment.

Furthermore, investors with Chinese Taiwan travel document or who are Chinese Taiwan-incorporated are subject to caps on the aggregate amount of investment in Chinese Mainland. In general, (i) individuals are subject to an annual cap of US$5 million; (ii) small and medium-sized enterprises are subject to a cap of NT$80 million or 60% of their net worth (or consolidated net worth), whichever is higher; and (iii) other enterprises are subject to a cap of 60% of their net worth (or consolidated net worth). Certain qualified enterprises, such as multinational enterprises or entities recognized as operational headquarters, may be exempt from such caps.

REGULATIONS ON FOREIGN EXCHANGE CONTROL

Foreign exchange control in Chinese Taiwan is primarily governed by the Foreign Exchange Regulation Act (《管理外匯條例》).

Under the applicable regulations, the cumulative annual limit for foreign exchange purchased or sold by a company or business entity is US$100 million. Remittances within this limit may be declared and settled directly through authorized banks, whereas prior approval from the central bank in Chinese Taiwan is required if such limit is exceeded. In addition, for single transactions exceeding certain thresholds (i.e., US$1 million for companies and US$500,000 for individuals), banks may require supporting documentation from the declarant.

Cross-border fund flows involved in the Group's operations in Chinese Taiwan, including but not limited to dividend repatriation and payments for goods and services, must comply with the foregoing foreign exchange declaration and settlement requirements.

REGULATIONS ON LABOR AND SOCIAL WELFARE

Labor

The Labor Standards Act (《勞動基準法》) (the "**LSA**") establishes minimum standards for employment conditions in Chinese Taiwan, with the aim of protecting labor rights, strengthening labor-management relations and promoting socio-economic development. All employers and employees subject to the LSA must comply with its provisions, and any contractual terms that fall below statutory standards or contravene the LSA shall be void.

The LSA regulates matters including employment contracts, wages, working hours, rest periods, leave, retirement, occupational accident compensation and workplace rules. Employers who violate the LSA may be subject to administrative penalties. In addition, other relevant laws, including the Act of Gender Equality in Employment (《性別平等工作法》), also apply.

Labor Pension

Under the Labor Pension Act (《勞工退休金條例》), employers are required to make monthly contributions to employees' individual pension accounts. The employer's contribution shall not be less than 6% of the employee's monthly wage, and employees may voluntarily contribute up to an additional 6%.

Employees aged 60 or above with at least 15 years of service are entitled to monthly pension payments, while those with less than 15 years of service are entitled to a lump-sum payment. Employers who fail to make the required contributions may be liable for damages and subject to penalties.

Labor and Health Insurance

Pursuant to the Labor Insurance Act (《勞工保險條例》) and the National Health Insurance Act (《全民健康保險法》), employers are required to enroll eligible employees aged between 15 and 65 in labor insurance and national health insurance schemes.

Premiums are calculated based on employees' reported salaries and applicable rates. Labor insurance provides coverage for benefits including maternity, injury, sickness, disability, old age and death. Non-compliance may result in fines and other administrative penalties.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

The Trademark Act (《商標法》) protects trademark rights, safeguards consumer interests and promotes fair competition. Unauthorized use of a trademark that is identical or similar to a registered trademark in connection with identical or similar goods or services, resulting in a likelihood of confusion, constitutes trademark infringement.

Infringers may be subject to civil liabilities for damages as well as criminal penalties.

Patent

Under the Patent Act (《專利法》), patents in Chinese Taiwan are classified into invention patents, utility model patents and design patents, with respective terms of 20 years, 10 years and 15 years from the filing date.

OVERVIEW

Our history can be traced back to 2011 when Zhen Ding Group commenced its business of developing and producing IC substrates. As a strategy for the focused growth of the IC substrate business, our Company was established in 2019 as an indirect wholly-owned subsidiary of Zhen Ding for the purposes of taking over and independently undertaking the IC substrate business from Zhen Ding Group.

Since our establishment, our Group has evolved into an IC substrate provider powered by intelligent manufacturing, focused on the R&D, manufacture and sale of FCBGA, FCCSP, WBCSP and module substrates. According to Frost & Sullivan, measured by 2025 revenue, we ranked third among IC substrate manufacturers located in Chinese Mainland, up from sixth in 2023, and third among Chinese Mainland manufacturers of each of FCBGA and FCCSP substrates, respectively. Among the top 20 global IC substrate suppliers by IC substrate revenue in 2025, we also ranked first in terms of revenue growth CAGR between 2023 and 2025.

MILESTONES

The following table sets forth certain key milestones of our business development:

Year	Event
2011	Qinhuangdao Plant 1 was established by Zhen Ding Group, and the plant commenced sample production of IC substrates.
2013	Qinhuangdao Plant 1 commenced mass production of WBCSP substrates.
2018	Qinhuangdao Plant 1 commenced mass production of FCCSP substrates.
2019	Our Company was established in Shenzhen, the PRC, for the purpose of taking over and independently undertaking the IC substrate business from Zhen Ding Group.
2021	We acquired Qinhuangdao Plant 1, via the acquisition of Qiding Technology, a subsidiary of Zhen Ding Group at the time.
	Shenzhen Plant 1 commenced construction.
	Qinhuangdao Plant 2 commenced construction.
2022	Qinhuangdao Plant 2 commenced mass production of FCCSP substrates, within 1.5 years from the beginning of its construction.
	Shenzhen Plant 1 commenced sample production of FCBGA substrates, being one of the first production plants to deploy the semiconductor-grade SECS protocol among IC substrate providers globally.
2024	Commenced mass production of industry-leading FCCSP substrates supporting 3nm smartphone SoC chips.

Year	Event
	Shenzhen Plant 1 commenced mass production of FCBGA substrates. In particular, — Achieved advanced packaging mass production including 2.5D/3D stacking IC packaging architectures. — Obtained customer certification for FCBGA substrates supporting 2nm chips.
2025	Commenced mass production of industry-leading WBCSP substrates supporting personal computer DRAM chips. Achieved mass production of FCBGA substrates (i) for Chiplet packaging of 11 or more chips within a single package, and (ii) supporting HPC AI chips and automotive ADAS chips.
2026	Our Company was converted into a joint stock company with limited liability and was then renamed as Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. 禮鼎半導體科技(深圳)股份有限公司.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, our Company had two direct wholly-owned subsidiaries, both of which are considered as our major subsidiaries. Details of our major subsidiaries during the Track Record Period are set out below.

Name of major subsidiary	Place of incorporation	Date of incorporation and commencement of business	Equity interest attributable to our Group	Principal business activities
Leading Qinhuangdao[(1)] .	PRC	March 29, 2021	100%	Manufacturing and sales of IC substrates
Leading Interconnect Hong Kong[(2)(3)]	Hong Kong	July 6, 2016	100%	Trading and sales of IC substrates

Notes:

(1) To streamline the group structure of Zhen Ding, in December 2021, Monterey Park transferred 100% of the equity interests in Qiding Technology to our Company, upon which Qiding Technology became our direct wholly-owned subsidiary. Pursuant to a merger agreement in June 2023, Qiding Technology merged with Leading Qinhuangdao by way of a merger by absorption, and Leading Qinhuangdao is the surviving entity. The merger took effect on 31 July 2023 and the deregistration of Qiding Technology was completed in June 2024.

(2) To streamline the group structure of Zhen Ding, in April 2023, Monterey Park transferred 100% of the equity interests in Leading Interconnect Hong Kong to our Company, upon which Leading Interconnect Hong Kong became our direct wholly-owned subsidiary.

(3) A branch office of Leading Interconnect International Limited is registered in Chinese Taiwan as Leading Interconnect International Limited (Taiwan Branch).

See "Accountant's Report — Note 24" for more details of our subsidiaries.

See "Appendix V — Statutory and General Information — A. Further Information about our Company and our Subsidiaries — 3. Changes in Share Capital of our Subsidiaries" for more details of changes in registered capital of our subsidiaries.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment of our Company and first round financing

In August 2019, our Company was established as a foreign invested enterprise under the laws of the PRC with an initial registered capital of US$1 million, which was increased to US$50 million in December 2019, then to US$130 million in January 2020, and then to US$151.8 million in March 2021. The following table sets out the registered capital subscribed for, paid-in capital contributed and corresponding consideration paid by the relevant Shareholders in the aforesaid capital increases:

Shareholder	Registered capital subscribed for	Paid-in capital contributed	Consideration paid
	(US$)	*(US$)*	*(US$)*
Monterey Park	130,000,000	50,000,000	50,000,000
Homerton Limited	7,260,000	7,260,000	7,260,000
Keble Limited	5,200,000	5,200,000	5,200,000
Nuffield Limited	3,680,000	3,680,000	3,680,000
Shenzhen Shuoxing	2,274,687	2,274,687	2,274,687
Shenzhen Junhe	2,005,175	2,005,175	2,005,175
Shenzhen Kaixing	1,412,247	1,412,247	1,412,247
Total	**151,832,109**	**71,832,109**	**71,832,109**

Monterey Park is one of our Controlling Shareholders, further information of which is set out in "Relationship with our Controlling Shareholders". Each of Homerton Limited, Nuffield Limited, Shenzhen Shuoxing and Shenzhen Kaixing is a Pre-[REDACTED] Investor, further information of which is set out in "— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors". Each of Keble Limited and Shenzhen Junhe is an Employee Shareholding Platform of our Company, further information of which is set out in "— Employee Shareholding Platforms".

The consideration for each of the aforesaid subscriptions was determined with reference to the equivalent amount of paid-in capital contributed. The consideration paid for the aforesaid subscriptions as set out in the table above was fully settled in cash by the relevant Shareholders, and the relevant funds were received by our Company between September 2020 and March 2022.

Second round financing

In December 2021, Monterey Park contributed US$70 million in cash to our Company to settle part of the registered capital held by Monterey Park at the time. Based on an independent valuation of the entire equity interest of our Company as of June 30, 2021 prepared by an independent valuer, such contribution corresponded to the consideration for a paid-in capital in our Company in the amount of US$11,666,667.

Subsequently, pursuant to our Shareholders' resolutions dated February 18, 2022, the registered capital of our Company was increased from US$151.8 million to US$156.9 million.

The following table sets out the registered capital subscribed for, paid-in capital contributed and corresponding consideration paid by the relevant Shareholders in the aforesaid (i) capital contribution by Monterey Park and (ii) capital increase:

Shareholder	Registered capital subscribed for	Paid-in capital contributed	Consideration paid
	(US$)	*(US$)*	*(US$)*
Monterey Park	—	11,666,667	70,000,000
Keble Limited	1,560,000	1,560,000	9,360,000
Homerton Limited	940,000	940,000	5,640,000
Nuffield Limited	595,000	595,000	3,570,000
Shenzhen Kaixing	500,786	500,786	3,004,717
Shenzhen Jinshuo	444,575	444,575	2,667,453
Shenzhen Ruijin	434,355	434,355	2,606,132
Shenzhen Shuoxing	429,246	429,246	2,575,472
Shenzhen Junhe	137,971	137,971	827,830
Total	**5,041,933**	**16,708,600**	**100,251,605**

Each of Shenzhen Jinshuo and Shenzhen Ruijin is an Employee Shareholding Platform of our Company, further information of which is set out in "— Employee Shareholding Platforms".

The consideration for the aforesaid subscriptions was determined with reference to the independent valuation report of the entire equity interest of our Company as of June 30, 2021. The portion of the consideration paid exceeding the registered capital subscribed for was credited to the capital reserve of our Company. The consideration for the aforesaid subscriptions was fully settled in cash by the relevant Shareholders, and the relevant funds were received by our Company in March 2022.

Third round financing

Pursuant to our Shareholders' resolutions dated March 14, 2023, April 21, 2023 and April 26, 2023, the registered capital of our Company was increased from US$156.9 million to US$176.3 million, then to US$177.4 million and then to US$178.5 million. The following table sets out the registered capital subscribed for, paid-in capital contributed and corresponding consideration paid by the relevant Shareholders in the aforesaid capital increases:

Shareholder	Registered capital subscribed for	Paid-in capital contributed	Consideration paid
	(US$)	*(US$)*	*(US$)*
Avary Holding	15,113,350	15,113,350	136,020,151
Quickfame Inc.	1,111,111	1,111,111	10,000,000
Liandao Pengxiang	1,007,557	1,007,557	9,036,946
Shenzhen Kaixing	561,769	561,769	5,055,919
Shenzhen Shuoxing	486,985	486,985	4,382,872
Homerton Limited	456,405	456,405	4,107,645
Keble Limited	383,889	383,889	3,455,001
Shenzhen Lekai	344,249	344,249	3,098,237
Girton Limited	310,000	310,000	2,790,000
Shenzhen Junde	272,040	272,040	2,448,363
Shenzhen Jinjia	263,644	263,644	2,372,796
Shenzhen Junhe	236,777	236,777	2,130,982
Nuffield Limited	235,000	235,000	2,115,000
Shenzhen Ruijin	228,380	228,380	2,055,416
Shenzhen Fuyi	191,436	191,436	1,722,922
Shenzhen Jinrong	176,322	176,322	1,586,902
Shenzhen Jinquan	130,982	130,982	1,178,841
Shenzhen Jinshuo	80,605	80,605	725,441
Total	**21,590,501**	**21,590,501**	**194,283,422**

Avary Holding is one of our Controlling Shareholders, further information of which is set out in "Relationship with our Controlling Shareholders". Each of Girton Limited, Shenzhen Jinjia, Shenzhen Jinrong, Shenzhen Jinquan, Shenzhen Junde, Shenzhen Fuyi and Shenzhen Lekai is an Employee Shareholding Platform of our Company, further information of which is set out in "— Employee Shareholding Platforms". Each of Liandao Pengxiang and Quickfame Inc. is a Pre-[REDACTED] Investor, further information of which is set out in "— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors".

The consideration for each of the aforesaid subscriptions was determined with reference to an independent valuation of the entire equity interest of our Company as of June 30, 2022 prepared by an independent valuer. The portion of the consideration paid exceeding the registered capital subscribed for was credited to the capital reserve of our Company. The subscription consideration for the aforesaid capital increase was fully settled in cash by the relevant Shareholders, and the relevant funds were received by our Company between January 2023 and May 2023.

Capital reduction and joint stock reform

On May 30, 2025, our Shareholders resolved to conduct selective capital reduction on the subscribed capital in our Company held by Monterey Park and reduced the registered capital from US$178.5 million to US$110.1 million to reconcile its subscribed registered capital with its paid-in registered capital. The capital reduction amount was US$68.3 million, which was determined after taking into account the portion of unpaid registered capital in our Company held by Monterey Park. The capital reduction was completed in July 2025.

Pursuant to our Shareholders' resolutions dated May 12, 2026, the then existing Shareholders of our Company agreed to convert our Company with a registered capital of US$110,131,210 at the time, into a joint stock company with limited liability with a registered capital of RMB737,655,639, divided into 737,655,639 Shares of RMB1 par value each, at an exchange rate of approximately RMB6.69 to US$1. Our Shareholders and their respective shareholding percentages remain unchanged immediately before and after the conversion. Such conversion was completed on May 18, 2026, and our Company's Chinese name changed from "禮鼎半導體科技(深圳)有限公司" to "禮鼎半導體科技(深圳)股份有限公司".

The following table sets out the equity interests and shareholding information of our Shareholders immediately before and after the joint stock reform:

	After the selective capital reduction and immediately before the joint stock reform		Immediately after the joint stock reform	
Shareholder	**Registered capital subscribed for and paid-in capital contributed**	**Approximate percentage of equity interest**	**Number of Shares**	**Approximate shareholding percentage**
	(US$)	*(%)*		*(%)*
Monterey Park	61,666,667	55.99	413,041,415	55.99
Avary Holding	15,113,350	13.72	101,228,484	13.72
Homerton Limited	8,656,405	7.86	57,980,471	7.86
Keble Limited	7,143,889	6.49	47,849,509	6.49
Nuffield Limited	4,510,000	4.10	30,207,737	4.10
Shenzhen Shuoxing	3,190,918	2.90	21,372,835	2.90
Shenzhen Kaixing	2,474,802	2.25	16,575,860	2.25
Shenzhen Junhe	2,379,923	2.16	15,940,739	2.16
Quickfame Inc.	1,111,111	1.01	7,442,208	1.01
Liandao Pengxiang	1,007,557	0.91	6,748,812	0.91
Shenzhen Ruijin	662,735	0.60	4,439,212	0.60
Shenzhen Jinshuo	525,180	0.48	3,517,880	0.48
Shenzhen Lekai	344,249	0.31	2,305,912	0.31
Girton Limited	310,000	0.28	2,076,501	0.28
Shenzhen Junde	272,040	0.25	1,822,010	0.25
Shenzhen Jinjia	263,644	0.24	1,765,948	0.24
Shenzhen Fuyi	191,436	0.17	1,282,046	0.17
Shenzhen Jinrong	176,322	0.16	1,180,987	0.16
Shenzhen Jinquan	130,982	0.12	877,073	0.12
Total	**110,131,210**	**100.00**	**737,655,639**	**100.00**

Fourth round financing

In May 2026, Pai Vista Ltd., ASEAME Partners LP, Zen Core Ltd., Sarka Investments Limited, YHT Capital Ventures Pte. Ltd., CITIC Securities Investment Co., Ltd. (中信証券投資有限公司) ("**CITIC Securities Investment**") and Win Wei International Co., Limited (collectively, the "**Fourth Round Pre-[REDACTED] Investors**") agreed to subscribe for a total of 108,888,889 Shares.

The following table sets out the details of the subscriptions:

Shareholder	Number of Shares subscribed for	Consideration paid
		(RMB)
Pai Vista Ltd.	32,027,345	576,492,210
ASEAME Partners LP	30,370,371	546,666,678
Zen Core Ltd.	17,194,878	309,507,804
Sarka Investments Limited	15,185,185	273,333,330
YHT Capital Ventures Pte. Ltd.	9,444,444	169,999,992
CITIC Securities Investment	2,777,777	49,999,986
Win Wei International Co., Limited	1,888,889	34,000,002
Total	**108,888,889**	**1,960,000,002**

Each of Fourth Round Pre-[REDACTED] Investors is a Pre-[REDACTED] Investor, further information of which is set out in "— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors".

The consideration for each of the aforesaid subscriptions was RMB18 per Share (of RMB1 par value each) subscribed for, and was determined with reference to an independent valuation of the entire equity interest of our Company as of March 31, 2026 prepared by an independent valuer. The portion of the consideration paid exceeding the par value of the Shares subscribed for was credited to the capital reserve of our Company. The subscription consideration for the aforesaid capital increase was fully settled in cash by the relevant Shareholders, and the relevant funds were received by our Company between May 2026 and June 2026.

Pursuant to our Shareholder's resolutions dated May 18, 2026, the registered capital of our Company was increased from RMB737,655,639 to RMB846,544,528. See below "— Capitalization" for the shareholding immediately after the abovementioned subscription.

Save as disclosed above, throughout the Track Record Period and up to the Latest Practicable Date, there was no other material change in the shareholding of our Company.

PRC Legal Advisor's Confirmation

As advised by our PRC Legal Advisors, the capital increases and capital reduction in respect of our Company as described above have been duly completed.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to attract and retain suitable personnel to our Group, we established the following Employee Shareholding Platforms for the purpose of our Employee Share Ownership Plan:

Keble Limited

Keble Limited is a company incorporated under the laws of Hong Kong. As of the date of this document, (i) Keble Limited is held as to 100% by Kilby Group LP, a limited partnership established in the British Virgin Islands; (ii) the general partner of Kilby Group LP is Kilby Global Limited, a company incorporated in the British Virgin Islands, which is in turn owned as to 100% by Mr. Chang Yu-Chia; and (iii) Kilby Group LP has 84 limited partners, among which Mr. Lee Ting-Chuan, Chairperson of the Board, our executive Director and general manager, holds approximately 18.6% partnership interests.

Shenzhen Junhe

Shenzhen Junhe is a limited partnership established in the PRC. As of the Latest Practicable Date, (i) the general partner of Shenzhen Junhe is Shenzhen Shengkai Technology Co., Ltd, a company incorporated in the PRC, which is in turn owned as to 100% by Ms. Chen Lu, who also controls the general partner of Shenzhen Jinjia; and (ii) Shenzhen Junhe has 41 limited partners.

Shenzhen Jinshuo

Shenzhen Jinshuo is a limited partnership established in the PRC. As of the date of this document, (i) the general partner of Shenzhen Jinshuo is Mr. Meng Shiwen; and (ii) Shenzhen Jinshuo has 48 limited partners.

Shenzhen Ruijin

Shenzhen Ruijin is a limited partnership established in the PRC. As of the Latest Practicable Date, (i) the general partner of Shenzhen Ruijin is Mr. Li Guan-Fu; and (ii) Shenzhen Ruijin has 41 limited partners, among which Mr. Zhang Yu, our employee Director, holds approximately 10.5% partnership interests.

Shenzhen Lekai

Shenzhen Lekai is a limited partnership established in the PRC. As of the Latest Practicable Date, (i) the general partner of Shenzhen Lekai is Shenzhen Futong Technology Co., Ltd, a company incorporated in PRC, which is in turn owned as to 100% by Ms. Mao Yu-Yue; and (ii) Shenzhen Lekai has 38 limited partners.

Girton Limited

Girton Limited is a company incorporated under the laws of Hong Kong. As of the Latest Practicable Date, (i) Girton Limited is held as to 100% by Solent Group Holdings LP, a limited partnership established in the British Virgin Islands; (ii) the general partner of Solent Group Holdings LP is Solent Global Limited, a company incorporated in the British Virgin Islands, which is in turn owned as to 100% by Ms. Lee Hsiao-Ping; and (iii) Solent Group Holdings LP has 35 limited partners.

Shenzhen Junde

Shenzhen Junde is a limited partnership established in the PRC. As of the Latest Practicable Date, (i) the general partner of Shenzhen Junde is Shenzhen Yuding Technology Co., Ltd, a company incorporated in PRC, which is in turn owned as to 99% by Ms. Mo Xiao-Feng (who also controls the general partner of Shenzhen Jinquan); and (ii) Shenzhen Junde has 35 limited partners, each of whom is an Independent Third Party.

Shenzhen Jinjia

Shenzhen Jinjia is a limited partnership established in the PRC. As of the Latest Practicable Date, (i) the general partner of Shenzhen Jinjia was Shenzhen Shengtong Technology Co., Ltd, a company incorporated in PRC, which was in turn owned as to 99% by Ms. Chen Lu (who also controls the general partner of Shenzhen Junhe); and (ii) Shenzhen Jinjia has 35 limited partners.

Shenzhen Fuyi

Shenzhen Fuyi is a limited partnership established in the PRC. As of the Latest Practicable Date, (i) the general partner of Shenzhen Fuyi is Shenzhen Tongjun Technology Co., Ltd, a company incorporated in the PRC, which is in turn owned as to 100% by Ms. Luo Ping; and (ii) Shenzhen Fuyi has 29 limited partners.

Shenzhen Jinrong

Shenzhen Jinrong is a limited partnership established in the PRC. As of the date of this document, (i) the general partner of Shenzhen Jinrong is Mr. Xia Bin; and (ii) Shenzhen Jinrong has 30 limited partners.

Shenzhen Jinquan

Shenzhen Jinquan is a limited partnership established in the PRC. As of the Latest Practicable Date, (i) the general partner of Shenzhen Jinquan is Shenzhen Dongkai Technology Co., Ltd, a company incorporated in PRC, which was in turn owned as to 100% by Ms. Mo Xiao-Feng, who also controls the general partner of Shenzhen Junde; and (ii) Shenzhen Jinquan has 23 limited partners.

Save for their respective shareholding interests in our Company, each of our Employee Shareholding Platforms and their respective ultimate beneficial owners is an Independent Third Party. None of the limited partners in each limited partnership that is an Employee Shareholding Platform or a shareholder of an Employee Shareholding Platform hold 30% or more interest in the corresponding limited partnership.

EMPLOYEE SHARE OWNERSHIP PLAN

We have adopted the Employee Share Ownership Plan, the purpose of which is to attract and retain talents for our Group, and to foster shared interests between our Shareholders and our employees. See "Appendix V — Statutory and General Information — D. Employee Share Ownership Plan" for more details of the Employee Share Ownership Plan. As of the Latest Practicable Date, the underlying Shares in respect of all interests granted to eligible participants under the Employee Share Ownership Plan have been issued to our Employee Shareholding Platforms, and all partnership interests or shares in our Employee Shareholding Platforms have been subscribed by and fully paid up by the relevant eligible participants. Therefore, no further share awards or options will be granted under the Employee Share Ownership Plan.

Save as disclosed above and in the paragraph headed "Appendix V — Statutory and General Information — D. Employee Share Ownership Plan", as of the Latest Practicable Date, our Group did not have any outstanding share options, warrants, convertible debt securities or other convertible instruments, or similar rights convertible into our Shares.

MATERIAL ACQUISITIONS, DISPOSALS AND MERGERS

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any material acquisitions, disposals or mergers.

PRE-[REDACTED] INVESTMENTS

Overview

The following table sets forth the principal terms of the Pre-[REDACTED] Investments:

Relevant investment	First round financing	Second round financing	Third round financing	Fourth round financing
Relevant Pre-[REDACTED] Investors	Homerton Limited, Nuffield Limited, Shenzhen Shuoxing and Shenzhen Kaixing	Homerton Limited, Nuffield Limited, Shenzhen Shuoxing and Shenzhen Kaixing	Homerton Limited, Nuffield Limited, Shenzhen Shuoxing, Shenzhen Kaixing Liandao Pengxiang and Quickfame Inc.	Pai Vista Ltd., ASEAME Partners LP, Zen Core Ltd., Sarka Investments Limited, YHT Capital Ventures Pte. Ltd, CITIC Securities Investment and Win Wei International Co., Limited
Amount of consideration paid to the Company under the Pre-[REDACTED] Investments	US$14.6 million	US$14.8 million	US$34.7 million	RMB1,960.0 million
Date of last settlement of consideration[(1)]	March 2, 2022	March 23, 2022	May 30, 2023	June 3, 2026
Cost per Share	RMB1[(2)]	RMB6[(2)]	RMB9[(2)]	RMB18
Discount to the [REDACTED][(3)]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Lock-up period	All existing Shareholders (including the Pre-[REDACTED] Investors) are prohibited from disposing of any Share held by them within the 12 months following the [REDACTED] as required under the applicable PRC law.			
Basis for determining the consideration paid	The basis for determining the consideration paid for the Pre-[REDACTED] Investments is set out in "— Corporate Development and Major Shareholding Changes — Establishment of our Company and first round financing", "— Second Round Financing", "— Third Round Financing" and "— Fourth Round Financing".			
Use of [REDACTED]	As of the Latest Practicable Date, all [REDACTED] from the Pre-[REDACTED] Investments were utilized for the development and operation of our principal business, replenishment of working capital and repayment of loans.			
Strategic Benefits	At the time of the Pre-[REDACTED] Investments, our Company was of the view that it would benefit from the additional capital provided by the Pre-[REDACTED] Investors' investments in our Company.			

Notes:

(1) Refers to the date on which the total consideration payable under the relevant round of Pre-[REDACTED] Investment was fully and irrevocably settled and received by our Company.

(2) Calculated by dividing: (x) the total consideration paid by the Pre-[REDACTED] Investors of the relevant round of equity financing; the U.S. dollar-denominated amounts paid are translated into RMB at the exchange rate at the time of each such payment, by (y) the total number of Shares held by such Pre-[REDACTED] Investors corresponding to such round of equity financing immediately after the joint stock reform. Rounded to the nearest RMB.

(3) Calculated based on the currency translation of RMB0.8698 to HK$1 for illustrative purposes, and on the [REDACTED] of HK$[REDACTED], being the mid-point of the [REDACTED].

The following table sets forth the details of the investments to our Company made by each Pre-[REDACTED] Investor:

	First round financing		Second round financing		Third round financing		Fourth round financing		Total	
	Registered capital subscribed for[(1)]	Consideration paid	Registered capital subscribed for[(1)]	Consideration paid	Registered capital subscribed for[(1)]	Consideration paid	Number of Shares subscribed for	Consideration paid	Registered capital subscribed for[(1)]/ Number of Shares subscribed for	Consideration paid
	(US$)	*(US$)*	*(US$)*	*(US$)*	*(US$)*	*(US$)*		*(RMB)*		
Homerton Limited	7,260,000	7,260,000	940,000	5,640,000	456,405	4,107,645	—	—	US$8,656,405	US$17,007,645
Nuffield Limited	3,680,000	3,680,000	595,000	3,570,000	235,000	2,115,000	—	—	US$4,510,000	US$9,365,000
Shenzhen Shuoxing	2,274,687	2,274,687	429,246	2,575,472	486,985	4,382,872	—	—	US$3,190,918	US$9,233,031
Shenzhen Kaixing	1,412,247	1,412,247	500,786	3,004,717	561,769	5,055,919	—	—	US$2,474,802	US$9,472,883
Liandao Pengxiang	—	—	—	—	1,007,557	9,036,946	—	—	US$1,007,557	US$9,036,946
Quickfame Inc.	—	—	—	—	1,111,111	10,000,000	—	—	US$1,111,111	US$10,000,000
Pai Vista Ltd.	—	—	—	—	—	—	32,027,345	576,492,210	32,027,345 Shares	RMB576,492,210
ASEAME Partners LP	—	—	—	—	—	—	30,370,371	546,666,678	30,370,371 Shares	RMB546,666,678
Zen Core Ltd.	—	—	—	—	—	—	17,194,878	309,507,804	17,194,878 Shares	RMB309,507,804
Sarka Investments Limited	—	—	—	—	—	—	15,185,185	273,333,330	15,185,185 Shares	RMB273,333,330
YHT Capital Ventures Pte. Ltd.	—	—	—	—	—	—	9,444,444	169,999,992	9,444,444 Shares	RMB169,999,992
CITIC Securities Investment	—	—	—	—	—	—	2,777,777	49,999,986	2,777,777 Shares	RMB49,999,986
Win Wei International Co., Limited	—	—	—	—	—	—	1,888,889	34,000,002	1,888,889 Shares	RMB34,000,002
Total	**14,626,934**	**14,626,934**	**2,465,032**	**14,790,189**	**3,858,827**	**34,698,382**	**108,888,889**	**1,960,000,002**	**—**	**—**

Note:

(1) The registered capital subscribed for is equivalent to the paid-in capital contributed by the corresponding Pre-[REDACTED] Investor.

Rights of the Pre-[REDACTED] Investors

None of the Pre-[REDACTED] Investors were granted special rights within the meaning of Chapter 4.2 of the Guide for New Listing Applicants, except for the Information Rights (as defined below) granted to the Fourth Round Pre-[REDACTED] Investors.

Pursuant to the terms of their respective investments, (i) our Company agreed to grant to the Fourth Round Pre-[REDACTED] Investors certain information rights ("**Information Rights**"), and (ii) Monterey Park agreed to grant to the Fourth Round Pre-[REDACTED] Investors certain special rights, including, among others, anti-dilution rights and repurchase rights, to be satisfied by a third party designated by Monterey Park (together with the Information Rights, the "**Relevant Special Rights**"). The terms of their respective investments stipulate that the Relevant Special Rights will be terminated on the day immediately preceding the submission of our [REDACTED] (the "**[REDACTED]**"), provided that the Relevant Special Rights shall be automatically restored if and when (1) our Company voluntarily withdraws the [REDACTED]; (2) our Company fails to resubmit a [REDACTED] within three months following the lapse of the [REDACTED]; (3) the relevant regulatory authority issues a decision to reject, return, disapprove or otherwise terminate the review of the [REDACTED]; (4) the Sponsor ceases to act as sponsor to the [REDACTED]; or (5) the Company fails to get [REDACTED] by July 2, 2028, or such other time as our Company and the Shareholders may separately agree. Further, pursuant to terms of the respective investments, upon [REDACTED], the Relevant Special Rights will be irrevocably terminated and may not be restored. Our Company and its subsidiaries do not otherwise owe any obligation for the Relevant Special Rights.

PRC Legal Advisor's Confirmation

As advised by our PRC legal advisor, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with competent authorities in respect of the Pre-[REDACTED] Investments in material aspects set out above, and the Pre-[REDACTED] Investments were conducted in compliance with the applicable PRC laws and regulations in all material aspects.

Sole Sponsor's Confirmation

Based on the documents provided by the Company relating to the Pre-[REDACTED] Investments and on the basis that (i) the considerations for the Pre-[REDACTED] Investments have been irrevocably settled more than 120 clear days before the [REDACTED]; and (ii) the special rights shall be irrevocably terminated upon [REDACTED], the Sole Sponsor confirms that the Pre-[REDACTED] investments are in compliance with the Pre-[REDACTED] Investment Guidance in Chapter 4.2 of the Guide.

Information about our Pre-[REDACTED] Investors

The background information on our Pre-[REDACTED] Investors is as set out below.

Homerton Limited

Homerton Limited is a company incorporated under the laws of Hong Kong, primarily engaged in investment management. As of the Latest Practicable Date, (i) Homerton Limited is held as to 100% by Noyce Group LP, a limited partnership established in the British Virgin Islands; (ii) the general partner of Noyce Group LP is Noyce Global Limited, a company incorporated in the British Virgin Islands, which is in turn owned as to 100% by Mr. Chien Cheng-Chih; and (iii) Noyce Group LP has 29 limited partners, among which Mr. Hsiao Te-Wang, our Director, holds approximately 12.01% partnership interests, and none of whom holds 30% or more of partnership interests therein.

Nuffield Limited

Nuffield Limited is a company incorporated under the laws of Hong Kong, primarily engaged in investment management. As of the Latest Practicable Date, (i) Nuffield Limited is held as to 100% by Merton Group Holdings LP, a limited partnership established in the British Virgin Islands; (ii) the general partner of Merton Group Holdings LP is Merton Global Limited, a company incorporated in the British Virgin Islands, which is in turn owned as to 100% by Mr. Lin Huan-Lung; and (iii) Merton Group Holdings LP has 28 limited partners, and none of whom holds 30% or more of partnership interests therein.

Shenzhen Shuoxing

Shenzhen Shuoxing is a limited partnership established in the PRC, primarily engaged in investment management. As of the Latest Practicable Date, (i) the general partner of Shenzhen Shuoxing is Shenzhen Hedeng Technology Co., Ltd, a company incorporated in the PRC in December 2019, which is in turn owned as to 100% by Mr. Ren Shengqi; and (ii) Shenzhen Shuoxing has 37 limited partners, and none of whom holds 30% or more of partnership interests therein.

Shenzhen Kaixing

Shenzhen Kaixing is a limited partnership established in the PRC, primarily engaged in investment management. As of the Latest Practicable Date, (i) the general partner of Shenzhen Kaixing is Shenzhen Yuanrui Technology Co., Ltd, a company incorporated in the PRC, which is in turn owned as to 100% by Mr. Gu Song; and (ii) Shenzhen Kaixing has 29 limited partners, and none of whom holds 30% or more of partnership interests therein.

Liandao Pengxiang

Liandao Pengxiang is a limited partnership established in the PRC and is principally engaged in investment management. As of the Latest Practicable Date, (i) the general partner of Liandao Pengxiang is Shenzhen Liandao Asset Management Co., Ltd. (深圳市聯道資產管理有限公司), a company incorporated in the PRC, which is owned as to 47.5% by Shenzhen Licheng Zhanye Investment Partnership (Limited Partnership) (深圳市立誠展業投資合夥企業(有限合伙)) and as to 32.5% by Guangzhou Liantai Investment Service Co., Ltd. (廣州市聯泰投資服務有限公司), respectively. Shenzhen Licheng Zhanye Investment Partnership (Limited Partnership) is owned as to 18.0% by Shenzhen Tongchuang Zhanye Investment Co., Ltd. (深圳市同創展業投資有限公司) as its general partner, which is in turn owned as to 84.3% by Ms. Wang Lu, and as to 82.0% by four limited partners, among whom Ms. Wang Lu and Ms. Chen Qiu-Xia held 33.3% and 31.5% partnership interests, respectively. Guangzhou Liantai Investment Service Co., Ltd. is owned as to 99.0% by Shenzhen Liantai Investment Group Co., Ltd. (深圳市聯泰投資集團有限公司), which is in turn owned as to 94.79% by Guangdong Liantai Group Co., Ltd. (廣東省聯泰集團有限公司). Mr. Huang Jian-Xun was the ultimate beneficial owner of Guangdong Liantai Group Co., Ltd. and held 35.47% of its equity interest, while each of the remaining three shareholders holds less than 30% of its equity interest therein; and (ii) Liandao Pengxiang had 14 limited partners, none of whom hold 30% or more of the partnership interests therein.

Quickfame Inc.

Quickfame Inc. is a company incorporated under the laws of Seychelles, primarily engaged in investment holding. As of the Latest Practicable Date, Quickfame Inc. is wholly owned by Ms. Liao Baohua.

Pai Vista Ltd.

Pai Vista Ltd. is a company incorporated under the laws of the British Virgin Islands, primarily engaged in investment management. As of the Latest Practicable Date, Pai Vista Ltd. is owned as to 81.8% by Mr. Ho Chen Hsiou.

Zen Core Ltd.

Zen Core Ltd. is a company incorporated under the laws of the British Virgin Islands, primarily engaged in investment management. As of the Latest Practicable Date, Zen Core Ltd. is wholly owned by Mr. Lee Hsiang.

ASEAME Partners LP

ASEAME Partners LP is a limited partnership established under the laws of the British Virgin Islands, primarily engaged in corporate management consulting and proprietary investment activities. As of the Latest Practicable Date, (i) the general partner of ASEAME Partners LP is AchiCapital GP Limited, which is controlled by Mr. Chen Chu-Wan, an Independent Third Party, who also controls the sole shareholder of Sarka Investments Limited; and (ii) the limited partners of ASEAME Partners LP are Longhu Investments Pte. Ltd. and True Light Investments P Pte. Ltd.

Sarka Investments Limited

Sarka Investments Limited is a company incorporated under the laws of the British Virgin Islands, primarily engaged in investment holding. As of the Latest Practicable Date, Sarka Investments Limited is wholly-owned by Vigor Holdings Limited, which is controlled by Mr. Chen Chu-Wan, an Independent Third Party.

YHT Capital Ventures Pte. Ltd.

YHT Capital Ventures Pte. Ltd. is a company incorporated under the laws of Singapore, primarily engaged in investment holding. As of the Latest Practicable Date, YHT Capital Ventures Pte. Ltd. is owned as to 80% by Mr. Yao Hsiao Tung and as to 20% by Madam Wong Huey Fang.

CITIC Securities Investment

CITIC Securities Investment is a wholly-owned subsidiary of CITIC Securities Company Limited (中信証券股份有限公司). CITIC Securities Company Limited is a joint stock company with limited liability established in the PRC, the H shares and A shares of which are listed on the Stock Exchange (stock code: 6030) and the Shanghai Stock Exchange (stock code: 600030).

Win Wei International Co., Limited

Win Wei International Co., Limited is a company incorporated under the laws of Hong Kong, primarily engaged in semiconductor and printed circuit board manufacturing machinery and equipment PLC software design and investment holding. As of the Latest Practicable Date, Win Wei International Co., Limited is owned as to 47.51% by Mr. Yen Chih-Tsung and four other individuals, each of whom holds less than 30% equity interest in Win Wei International Co., Limited.

To the best knowledge of our Directors after due enquiry, save for their respective shareholding interests in our Company, each of our Pre-[REDACTED] Investors and their respective ultimate beneficial owners is an Independent Third Party, and except as otherwise disclosed in this section, all the shareholders of our Company are independent of each other.

CAPITALIZATION

The table below sets forth the shareholding structure of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] and the conversion of Domestic Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised):

	As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED]		
Shareholder	Number of Shares	Approximate shareholding percentage	Number of Domestic Unlisted Shares	Number of H Shares	Approximate shareholding percentage
		(%)			(%)
Our Controlling Shareholders					
Monterey Park	413,041,415	48.79	[REDACTED]	[REDACTED]	[REDACTED]
Avary Holding	101,228,484	11.96	[REDACTED]	[REDACTED]	[REDACTED]
Our Employee Shareholding Platforms					
Keble Limited	47,849,509	5.65	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Junhe	15,940,739	1.88	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Ruijin	4,439,212	0.52	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Jinshuo	3,517,880	0.42	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Lekai	2,305,912	0.27	[REDACTED]	[REDACTED]	[REDACTED]
Girton Limited	2,076,501	0.25	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Junde	1,822,010	0.22	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Jinjia	1,765,948	0.21	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Fuyi	1,282,046	0.15	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Jinrong	1,180,987	0.14	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Jinquan	877,073	0.10	[REDACTED]	[REDACTED]	[REDACTED]
Pre-[REDACTED] Investors					
Homerton Limited	57,980,471	6.85	[REDACTED]	[REDACTED]	[REDACTED]
Pai Vista Ltd.	32,027,345	3.78	[REDACTED]	[REDACTED]	[REDACTED]
ASEAME Partners LP	30,370,371	3.59	[REDACTED]	[REDACTED]	[REDACTED]
Nuffield Limited	30,207,737	3.57	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Shuoxing	21,372,835	2.52	[REDACTED]	[REDACTED]	[REDACTED]
Zen Core Ltd.	17,194,878	2.03	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Kaixing	16,575,860	1.96	[REDACTED]	[REDACTED]	[REDACTED]
Sarka Investments Limited	15,185,185	1.79	[REDACTED]	[REDACTED]	[REDACTED]
YHT Capital Ventures Pte. Ltd.	9,444,444	1.12	[REDACTED]	[REDACTED]	[REDACTED]
Quickfame Inc.	7,442,208	0.88	[REDACTED]	[REDACTED]	[REDACTED]
Liandao Pengxiang	6,748,812	0.80	[REDACTED]	[REDACTED]	[REDACTED]
CITIC Securities Investment	2,777,777	0.33	[REDACTED]	[REDACTED]	[REDACTED]
Win Wei International Co., Limited	1,888,889	0.22	[REDACTED]	[REDACTED]	[REDACTED]
Other [REDACTED] H Shareholders	—	—	[REDACTED]	[REDACTED]	[REDACTED]
Total	**846,544,528**	**100.00**	**[REDACTED]**	**[REDACTED]**	**100.00**

PUBLIC FLOAT AND FREE FLOAT

Public Float

For the purpose of Rule 19A.13A of the Listing Rules, the following will not be counted as part of the public float of our Company: (a) [REDACTED] H Shares (representing approximately [REDACTED] of our total issued Shares upon the [REDACTED] (assuming that the [REDACTED] is not exercised)), which are held by core connected persons of our Group, namely, Monterey Park and Avary Holding, our Controlling Shareholders; and (b) [REDACTED] Domestic Unlisted Shares that will not be converted into H Shares.

To the best knowledge and information of our Directors, taking into account the conversion of [REDACTED] Domestic Unlisted Shares into H Shares upon the [REDACTED], [REDACTED] H Shares (representing [REDACTED] of our total issued Shares upon the [REDACTED] (assuming the [REDACTED] is not exercised)) will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules, which is higher than [REDACTED], the minimum prescribed percentage of [REDACTED] required to be held in [REDACTED] under Rule 19A.13A of the Listing Rules (being the higher of (i) the percentage that would result in the [REDACTED] of such securities in [REDACTED] to be HK$[REDACTED] at the time of [REDACTED], and (ii) [REDACTED], based on the low-end and high-end of the [REDACTED] under Rule 19A.13A of the Listing Rules).

Lock-up Free Float

All existing Shareholders (including the Pre-[REDACTED] Investors) are prohibited from disposing of any Share held by them within the 12 months following the [REDACTED] as required under the applicable PRC law.

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the [REDACTED] and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H Shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK$50 million; or (b) have an expected market value at the time of [REDACTED] of not less than HK$600 million.

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this Document shall not be counted towards the free float of the [REDACTED] of our Company at the time of [REDACTED]. Upon completion of the [REDACTED] and the conversion of Domestic Unlisted Shares into H Shares, the expected [REDACTED] of the H Shares being held by the [REDACTED] and not subject to any disposal restrictions at the time of [REDACTED] under Rule 19A.13C of the Listing Rules would amount to HK$[REDACTED] and represent more than 10% of the total number of issued shares in the class to which H Shares belong at the time of [REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the low end of the [REDACTED], and the [REDACTED] is not exercised). Accordingly, our Company will comply with the free float requirement under Rule 19A.13C of the Listing Rules at the time of the [REDACTED].

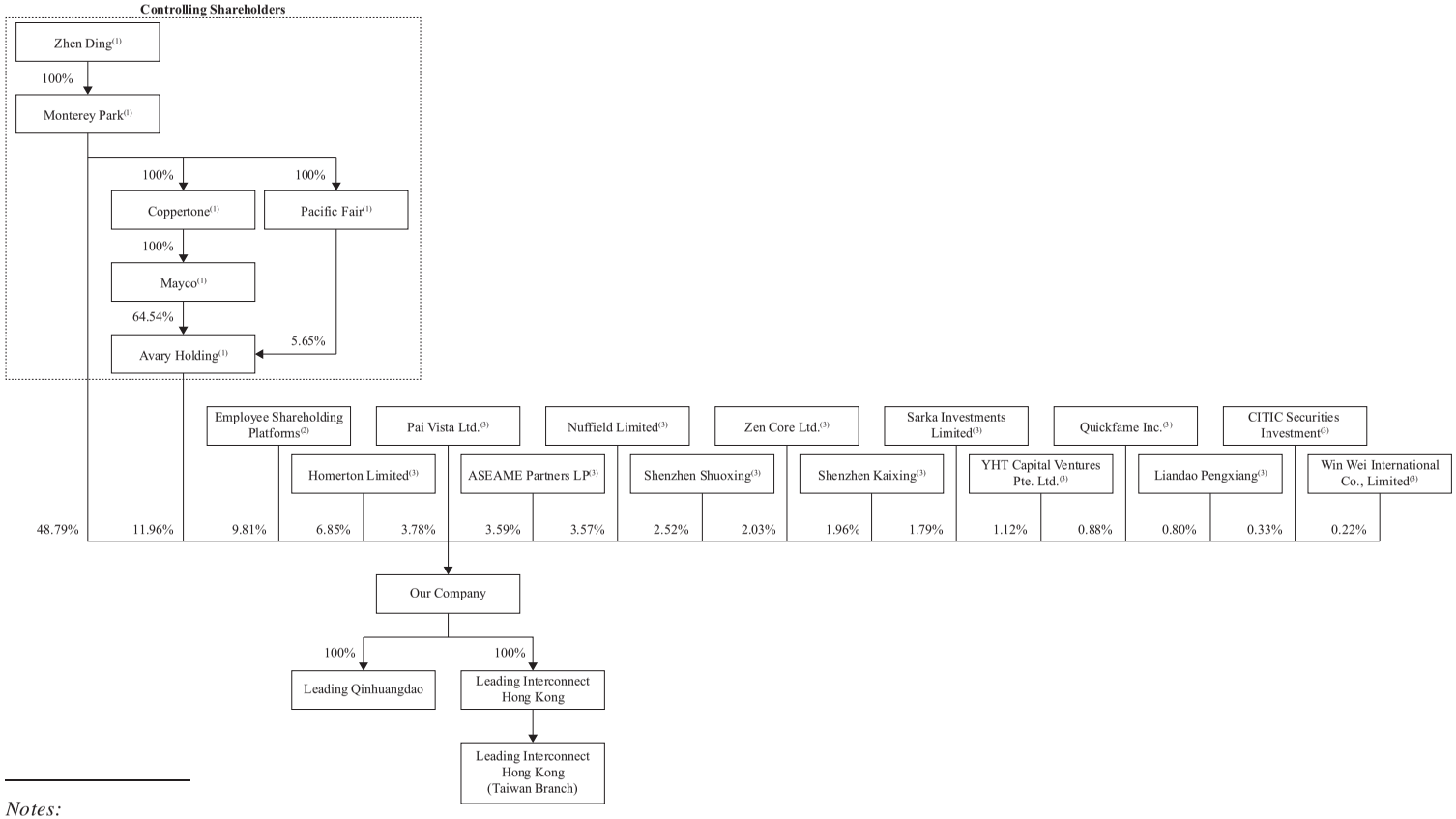
REASONS FOR [REDACTED] ON THE [REDACTED]

We are seeking a [REDACTED] on the [REDACTED] to support our business development and further strengthen our overall competitiveness and brand recognition. We believe that the [REDACTED] would provide us with an international platform to access foreign capital and strengthen our industry position, and will benefit the Company and our Shareholders as a whole.

OUR CORPORATE STRUCTURE

Corporate Structure immediately prior to the [REDACTED]

The following simplified chart depicts our corporate structure as of the Latest Practicable Date:



Notes:

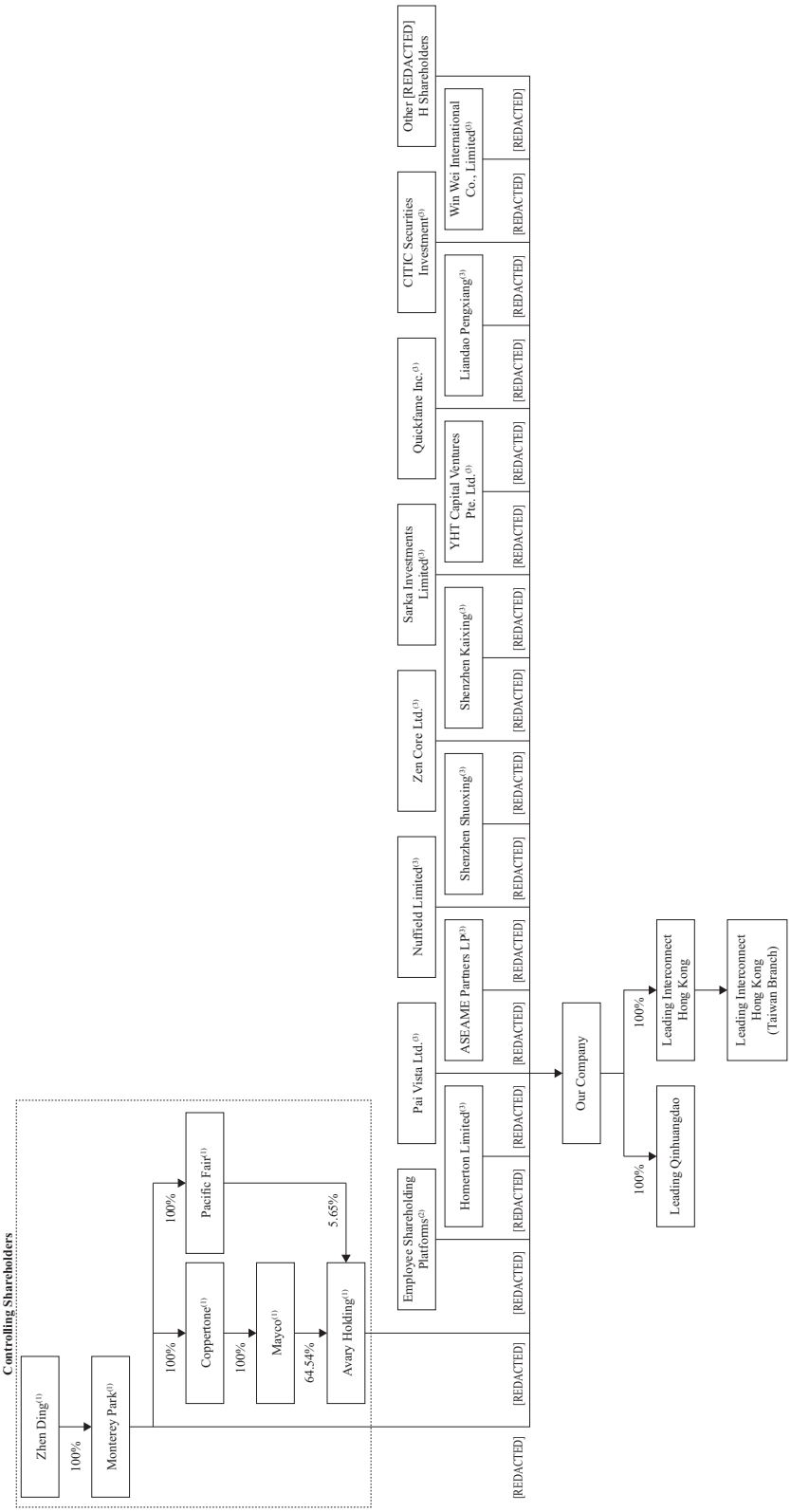
(1) See "Relationship with our Controlling Shareholders" for more details of our Controlling Shareholders.

(2) See "— Employee Shareholding Platforms" for more details of our Employee Shareholding Platforms.

(3) See "— Information about our Pre-[REDACTED] Investors" for more details of our Pre-[REDACTED] Investors.

Corporate Structure immediately following Completion of the [REDACTED]

The following simplified chart depicts our corporate structure immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):



Notes:

(1)–(3)See "— Our Corporate Structure — Corporate Structure immediately prior to the [REDACTED]" for more details.

OVERVIEW

Who We Are

We are an IC substrate provider powered by intelligent manufacturing, focused on the R&D, manufacture and sale of FCBGA, FCCSP, WBCSP and module substrates. Our mission is to advance technology, promote environmental sustainability, and benefit humanity. Our vision is to develop the advanced IC substrate industry and become a global industry leader.

An IC substrate is a specialized, high-density interconnection platform used in semiconductor packaging, serving as a critical carrier that provides electrical connectivity, mechanical support and thermal management between the silicon die and the printed circuit board. According to Frost & Sullivan, measured by 2025 revenue, we ranked third among IC substrate manufacturers located in Chinese Mainland, up from sixth in 2023, and third among Chinese Mainland manufacturers of each of FCBGA and FCCSP substrates. Among the top 20 global IC substrate suppliers by IC substrate revenue in 2025, we ranked first in terms of revenue CAGR from 2023 to 2025. Our revenue increased rapidly from RMB1,182.9 million in 2023 to RMB2,055.5 million in 2024 and RMB2,828.6 million in 2025, representing a CAGR of 54.6%. Our revenue further increased to RMB923.9 million in the three months ended March 31, 2026, representing a 70.9% growth from the same period in 2025.

As a technology leader in the IC substrate industry, we strategically focus on FCBGA substrates as our future growth driver, and our main products include FCCSP, WBCSP and module substrates. In 2025, our full-load designed capacity[1] reached 3,360 thousand panels for FCBGA substrates in Shenzhen site, as well as 2,419 thousand panels for FCCSP, WBCSP and module substrates in Qinhuangdao site.

The following chart sets out our key business achievements:

Note: All industry rankings contained in the chart above are according to Frost & Sullivan.

(1) Based on actual-installed capacity in 2025, according to Frost & Sullivan.
(2) All CAGRs are calculated based on the period from 2023 to 2025.

[1] Based on bottleneck stage in the production process. For FCBGA products, we view the circuit build-up (ABF build-up) stage as the bottleneck and for FCCSP, WBCSP and module products, we view surface treatment output as the bottleneck. Full-load designed capacity represents the designed maximum capacity of the factory, calculated based on the total amount of equipment that can be placed within the overall factory layout. Production time is calculated on the basis of 28 full production days per month after routine maintenance during the period.

Our Market Opportunities

Increasing demand for computing power in the AI era is elevating the importance of IC substrates, which enable high-speed signal transmission and effective heat dissipation to support stable, high-performance chip operation. According to Frost & Sullivan, from 2025 to 2030, the global IC substrate market is expected to reach US$30.3 billion, representing a CAGR of 15.3%. FCBGA substrate is expected to be the fastest-growing segment within the IC substrate market. From 2025 to 2030, the global market for FCBGA substrates is expected to reach US$19.2 billion, representing a CAGR of 19.7%. In addition, the global FCBGA demand-supply ratio is expected to rise from 94.7% in 2025 to 104.7% in 2026, surpassing 100% to enter a state of supply shortage, with supply shortage gap continuing to widen thereafter and reaching 125.6% in 2030. Offshore markets account for a substantial majority of global demand for FCBGA substrates and have exhibited faster growth than the Chinese Mainland. According to Frost & Sullivan, the FCBGA substrate offshore market reached US$6.4 billion in 2025, representing approximately 82% of the global FCBGA substrate market, and is expected to grow at a CAGR of 20.9% from 2025 to 2030, significantly outpacing the 13.3% CAGR projected for the Chinese Mainland over the same period. As an emerging leader in the IC substrate industry in the Chinese Mainland with a strategic focus on FCBGA substrates, we believe that we are well-positioned to capture these significant market opportunities.

OUR COMPETITIVE STRENGTHS

Emerging leader in the IC substrate industry in Chinese Mainland with value proposition attracting global industry-leading customers.

We are a leading IC substrate provider in Chinese Mainland. According to Frost & Sullivan, measured by 2025 revenue, we ranked third among Chinese Mainland manufacturers of IC substrates, up from sixth in 2023, and third among Chinese Mainland manufacturers of each of FCBGA and FCCSP substrates, respectively. Since our establishment, we have been committed to advancing process optimization and achieving technological breakthroughs in IC substrates, supported by our intelligent manufacturing system and a highly skilled team of technical and management professionals, enabling us to develop and manufacture IC substrates with high added value and superior quality. Among the top 20 global IC substrate suppliers by IC substrate revenue in 2025, we ranked first in terms of revenue CAGR from 2023 to 2025.

We have two balanced and complementary pillars of growth drivers: domestic and international leading customers. Given the supply shortage and rapid technology innovation nature of the IC substrate industry, industry-leading customers, in particular with respect to FCBGA products, require their IC substrate suppliers to have comprehensive capabilities of (1) rapid technology commercialization, (2) producing stable and reliable products and (3) rapid capacity ramp-up to meet the growing demand. We believe our value proposition addresses all these requirements, and thus our value proposition is highly attractive to global industry-leading customers.

Technology commercialization requires strong co-development capability with customers. We have extensive long-term cooperation with the world's top five Outsourced Semiconductor Assembly and Test (OSAT) companies, world-renowned IC design companies and IDM companies, and have become one of their core IC substrate suppliers. We also maintain deep collaboration with them on early-stage product design processes and packaging solution evaluations, and, based on their customized technical requirements, we typically commence R&D and validation activities six to 12 months in advance.

In addition, we offer end-to-end support to customers. Through deep joint optimization across IC design, IC substrate manufacturing and packaging processes, we are able to closely align with customers in the entire R&D cycle of "demand forecasting — technological advancement — mass production implementation — iterative upgrade," ensuring our long-term leadership and business expansion.

Moreover, we leverage our intelligent manufacturing facilities adopting SEMI Equipment Communications Standard (SECS) protocol to ensure our products are stable and reliable once commercialized. Intelligent manufacturing facilities also enable us to quickly replicate the production of a product once developed across different production lines. See "— World-class intelligent manufacturing capabilities adopting SECS communications protocol" for more details. Our stable and reliable products are evidenced by strong recognition from key downstream customers and have been awarded honors such as "Annual Best Supplier" by a number of globally recognized customers, demonstrating our industry-leading capabilities in product quality, technological strength, delivery performance, and service responsiveness.

Furthermore, given our early-investment strategy in Chinese Mainland and our intelligent manufacturing capabilities, we are able to rapidly ramp up our capacity. For our future capacity expansion, we also benefit from lower plant construction costs and more efficient construction cycles in Chinese Mainland compared to our international competitors. See "— Rapid capacity ramp-up to capture the global AI opportunity and expand our leading AI customer base" for more details.

Rapid capacity ramp-up to capture the global AI opportunity and expand our leading AI customer base

With the rapid global adoption of AI technologies, the industry is experiencing an acute shortage of high-end IC substrate capacity, and leading customers are accelerating their expansion plans to meet surging computing power demand. As such, leading customers, when selecting IC substrate production partners like us, would put substantial weight on their partner's capacity ramp-up capabilities. Against this backdrop, we strategically anticipated the future capacity needs, and incorporated substantial capacity expansion headroom in our initial plant design. In 2025, our production plants in Shenzhen and Qinhuangdao have a total full-load designed capacity of 3,360 thousand panels for FCBGA substrates and 2,419 thousand panels for FCCSP, WBCSP and module substrates. We also adopt the strategy of phased equipment installation approach to quickly ramp-up our capacity when our actual orders grow. Our actual-installed capacity increased from 856 thousand panels for FCBGA substrates and 1,668 thousand panels for FCCSP, WBCSP and module substrates in 2023 to 1,050 thousand panels for FCBGA substrates and 1,964 thousand panels for FCCSP, WBCSP and module substrates in 2025. With this rapid ramp-up capability, our actual output increased from 116 thousand panels for FCBGA substrates and 1,148 thousand panels, for FCCSP, WBCSP and module substrates in 2023 to 727 thousand panels for FCBGA substrates and 1,726 thousand panels for FCCSP, WBCSP and module substrates in 2025, representing a CAGR of 150.3% and 22.6%, respectively, and we still have ample room to further ramp up our actual-installed capacity in our existing production plants.

Moreover, we believe we have a competitive edge in further ramping up our production capacity compared to our international competitors. According to Frost & Sullivan, the construction and ramp-up to mass production of an IC substrate manufacturing facility outside of Chinese Mainland with a yearly production capacity of around 2,000 thousand panels typically requires around five years, while we are able to complete the construction of a comparable facility and commence mass production in Chinese Mainland in two to two and a half years, demonstrating our superior capability in delivering customized high-end capacity expansion and rapid volume ramp-up.

Continuous R&D, technology enhancement, and IC substrate upgrades to build strong technical barriers

Through commitment to R&D and technology enhancement, we have built a full-stack core technology system spanning product design, material application, and manufacturing processes. We possess full-process and integrated engineering capabilities from research and product development to process implementation and mass production, enabling the rapid commercialization of R&D results, deepening and broadening collaboration with downstream customers, and positioning us at the forefront of the global IC substrate industry.

For FCBGA, we have strategically deployed our technologies across the mainstream advanced packaging processes for high-performance computing chips. Our technology enables our products to achieve three main features: large-size and high-layer-count, low warpage, and high precision. According to Frost & Sullivan, our FCBGA substrates are positioned at an industry-leading level, capable of supporting the advanced packaging requirements of high-performance computing chips manufactured using 2nm process nodes. We have achieved large-scale mass production of IC substrates compatible with advanced Chiplet and heterogeneous integration packaging and 2.5D/3D stacking IC packaging architectures. According to Frost & Sullivan, we are also the first company in Chinese Mainland to achieve mass production of IC substrates for Chiplet packaging of 11 or more chips within a single package.

In addition, we continuously track the latest development trends in AI computing chip packaging technologies and proactively commence R&D on next-generation IC substrate technologies for advanced packaging, including component embedded FCBGA substrates, multi-layer core FCBGA substrates, ultra-thin FCBGA substrates, and coreless FCBGA substrates. Our R&D strategy ensures our technology roadmap remains ahead of market demand and provides a strong foundation for our long-term competitiveness in high-growth sectors such as high-performance computing chips.

For our FCCSP substrates, we leverage our technological strengths in fine-line circuitry, microvia structures, and thin-form design for FCCSP substrates to provide customers with highly integrated, cost-efficient one-stop solutions. According to Frost & Sullivan, we were the first company in the Chinese Mainland to achieve mass production of industry-leading FCCSP substrates capable of supporting 3nm smartphone SoC chips.

As of the Latest Practicable Date, we obtained 236 valid patents, including 188 invention patents and 48 utility model patents, and we filed 75 patent applications, forming a solid intellectual property barrier in advanced IC substrates. We believe that our continued investment in research and development and technology advancement will further strengthen our technological leadership and enhance our long-term competitiveness.

World-class intelligent manufacturing capabilities adopting SECS communications protocol

We are among the earliest players in Chinese Mainland's IC substrate industry to achieve intelligent manufacturing, according to Frost & Sullivan, with our core production base realizing fully integrated intelligent production and maintaining an advanced level within the global IC substrate industry. In particular, we are among the first IC substrate providers globally to adopt the advanced SECS communications protocol used in the semiconductor industry, enabling us to amass valuable data insights throughout the product life cycle and ensure that production parameters remain stable, controlled and traceable. This traceability and stability ensure the reliability and quality of our IC substrates.

To achieve unified management of equipment status monitoring, production recipe download and sharing, data collection and alert notification, we have adopted the SECS communication protocol, which requires all of our intelligent manufacturing facilities to be equipped with end-to-end automated production equipment, semiconductor intelligent manufacturing software, as well as AI-enabled product design and quality inspection systems. Our end-to-end automated operations cover the entire production process, from raw material intake and manufacturing to finished goods outbound and logistics, substantially enhancing production efficiency. We also integrate AI into the life-cycle quality management system for IC substrates, enabling AI across both product design and production inspection.

Our production capability under SECS communications protocols is critical for semiconductor-level products, as all business data are shared in real time and centrally managed, allowing management to monitor production remotely, schedule resources precisely and make more informed decisions, significantly improving quality and operational efficiency. Moreover, as all business data are managed and monitored automatically, we are able to replicate the production of specific products among our different intelligent manufacturing facilities without the need to manually adjust the production parameters, which is time-consuming and unreliable.

Stable and resilient supply chain, efficient delivery capabilities, and consistent product quality

We place a high priority on supply chain resilience and co-develop with leading global suppliers of IC substrate materials, equipment and software, enabling mutual technology empowerment and continuous improvement, while enhancing our production efficiency and product performance. We have established long-term and stable relationships with significant suppliers of IC substrate raw materials, such as ABF, CCL, gold salt, and solder resist. This enables us to secure reliable, high-quality, and priority access to critical materials and effectively mitigate the impact of tight supply of key materials on our production. Meanwhile, leveraging our long-term relationships with suppliers, together with our collaboration with our customers on procurement, we continuously optimize our procurement process, laying a solid foundation for maintaining the market competitiveness of our products.

With respect to equipment, we collaborate with equipment suppliers to co-develop dedicated solutions based on the process requirements of advanced IC substrates, aligning them with our manufacturing processes and improving production efficiency and product quality. With respect to software, we have partnered with leading industrial software providers to jointly develop customized MES systems. By integrating our production management requirements with the unique characteristics of IC substrate manufacturing, we have built a fully digitalized production management platform, enabling real-time data collection, analysis, optimization, and traceability. This provides strong digital support for our technology development and continuous process optimization.

Experienced management team and innovation-driven corporate culture supporting sustained growth

Our R&D, manufacturing, quality, and sales teams possess extensive experience in the IC substrate industry and form the backbone of our long-term development. As of the Latest Practicable Date, we have more than three hundred of engineers with over 10 years of experience in the IC substrate sector, equipped with deep industry expertise, strong technical judgment, and robust execution capabilities, providing a solid talent foundation for our technological innovation, strategic implementation, and sustained growth. We place strong emphasis on talent acquisition, development, and incentives, and have established a comprehensive talent development system and incentive mechanisms, providing strong human capital support for our competitiveness in the global IC substrate market.

Mr. Lee Ting-Chuan, our Chairman, possesses extensive experience in market development and operational management in the IC substrate industry and is a seasoned expert and pioneer in the IC substrate sector. He has led the establishment of a number of IC substrate manufacturing facilities, made large-scale investments in FCBGA production, led the Company in being the first among global IC substrate providers to deploy the semiconductor-grade SECS communication protocol, and has accumulated profound experience in the R&D, production, and management of advanced IC substrates. In particular, Mr. Lee spearheaded the establishment of our team dedicated to FCBGA substrates and the development of our FCBGA substrate business, including the technology roadmap, the build-up of relevant R&D and production capabilities. With deep insights into technological development trends, competitive dynamics, and evolving customer demand within the industry, Mr. Lee demonstrates strong strategic vision and sound judgment, serving as a key driving force behind our strategic development.

OUR GROWTH STRATEGIES

Broaden our global leading customer base

We aim to drive growth by expanding our base of global leading customers. Leveraging our rapid technology commercialization, production capacity ramp-up and cost efficiency, we directly address IC design companies' needs through high-performance and customized IC substrates, while capturing international FCBGA opportunities driven by increasing demand for AI and HPC applications in the AI era. See "— Our Competitive Strengths — Emerging leader in the IC substrate industry in Chinese Mainland with value proposition attracting industry-leading global customers" for more details.

As AI-related technologies continue to advance and customers further shorten their product development cycles, we will deepen collaboration across the upstream and downstream value chain and strengthen our customer-oriented co-development model. We will focus on accelerating materials and process iteration, shortening the R&D cycle for new technologies and new products, and enhancing our rapid facility construction and flexible resource allocation capabilities to align with customers' next-generation product roadmaps. We will also seek earlier participation in customers' product development and technology validation to deepen understanding of design constraints and support targeted optimization of substrate design, materials and processes, thereby improving validation efficiency, time-to-market, quality stability and delivery consistency. At the same time, we aim to attract leading global customers by leveraging our fast capacity ramp-up capabilities, high and consistent product quality, and intelligent manufacturing systems, enabling us to meet stringent global requirements for performance, reliability and delivery.

From supply side, we will strengthen collaboration with key raw material and equipment suppliers, enhance coordination on supply assurance and qualification timelines for key materials such as ABF and CCL, and promote supplier diversification to build a more stable and resilient supply chain, which is also critical to leading global customers.

From customer side, we will also expand engagement with leading global OSAT, IC design and IDM customers, enhance our global marketing and technical support network, and broaden international business outreach to better address differentiated requirements for IC substrates across application scenarios, laying a solid foundation for the continued expansion of our offshore business.

Rapidly ramp up capacity and continue to enhance intelligent manufacturing

Building on our existing mass production management system and intelligent manufacturing foundation, we will accelerate the ramp-up of new capacity and speed up capacity release, so as to increase product supply quickly while matching customer orders and expected demand.

- FCBGA substrates: We plan to focus on expanding production capacity for FCBGA substrates in Shenzhen in the next few years. We also plan to shift our capacity mix further toward advanced process nodes of 7nm and below substrates, so as to better meet demand from leading Chinese Mainland and global leading customers in areas such as AI and HPC, automotive and robotics and network communications. We plan to expand the production capacity of our Shenzhen Plant 2 and invest in the construction of several new plants, including land use and building costs, while accelerating the procurement and installation of advanced equipment and deploying automated solutions to support our production.

- FCCSP substrates: Benefiting from the surge in the memory chip market and the growing demand for highly integrated packaging driven by edge AI applications, the full-load designed capacity utilization rates of our Qinghuangdao Plant 1 and Plant 2 have reached 96.0% and 65.9%, respectively, in the three months ended March 31, 2026. We will continue to consolidate our leading position in FCCSP substrates for memory and edge AI applications, while advancing the build-out of corresponding production capacity to prepare in advance for anticipated increases in order volumes.

Meanwhile, we will leverage intelligent manufacturing as a key enabler for capacity expansion by continuously optimizing our production processes, critical process parameters, and quality control systems. This will enhance product consistency and stability, reduce manufacturing risks and rework losses associated with complex processes, and ensure reliable scalability. We will also continue to introduce advanced equipment in line with the high standards of our smart factories, further improving the automation and precision of our manufacturing processes and driving ongoing optimization of unit production costs.

Continue to focus on R&D in IC substrates, accelerate technology iteration and strengthen our market leadership

As a leading manufacturer of IC substrates in Chinese Mainland, we will continue to focus on the technological capability building of advanced IC substrates. In response to the increasing demands from downstream applications such as AI and HPC and smart device, and demand from advanced packaging for higher interconnect density, signal integrity, thermal performance, and reliability, we will accelerate the technological iteration of our products and manufacturing processes. We will further strengthen our investments in key areas, including material systems, fine-line circuitry, structural design, and packaging compatibility. We will continue to enhance the overall performance of our high-end products in terms of stability, reliability, and application adaptability, thereby better addressing the evolving demand of downstream customers and application scenarios. We will also continue to invest in R&D materials procurement, global R&D talent acquisition and training, and the procurement and commissioning of advanced equipment to support our long-term technological roadmap.

In the field of AI and HPC, we will focus on application scenarios such as large model training, supercomputing centers, and high-performance inference. We will advance the technological upgrading and product iteration of FCBGA substrates compatible with 2.5D/3D stacking packaging, Chiplet and heterogeneous integration packaging, and advanced process nodes. At the same time, we will proactively pursue forward-looking deployment of next-generation IC substrates in line with industry technology trends, such as large-size and high-layer-count, low warpage, and high precision. This will allow us to respond better to key customers' needs for high-bandwidth interconnection and reliable packaging for high-performance computing chips.

In the field of smart devices, as edge AI hardware continues to move toward thinner, smaller and more integrated designs, increasing demands are being placed on packaging miniaturization and higher I/O density. In response, we will continue to develop and upgrade FCCSP and related products for edge

AI applications, with a focus on higher layer counts, finer line width/spacing and greater interconnection density. We will continue to optimize our product and process capabilities to support the comprehensive requirements of terminal applications in terms of size, performance, and reliability.

Continue to attract talent and build a stable international team

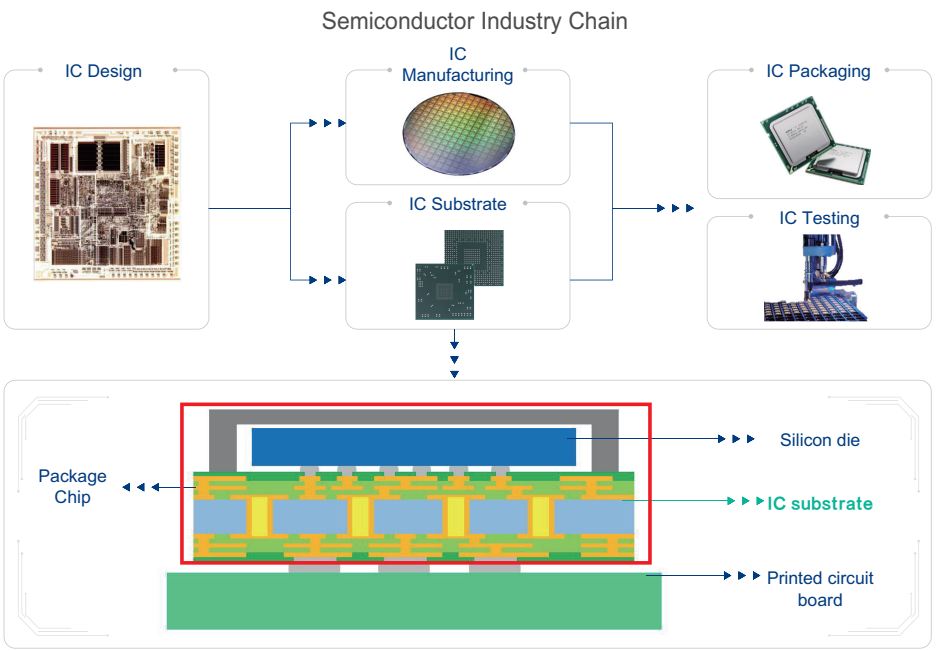
We are committed to fostering an inclusive and dynamic work environment that attracts and retains global top-tier talent, supported by competitive, market-aligned compensation and incentive structures. We will reinforce our training, career development and succession planning frameworks through a tiered talent development system, while refining performance-based incentives and cultivating a cohesive, high-performing organizational culture to support the Company's global expansion and long-term growth.

We will also build a high-caliber global workforce across R&D, manufacturing, and business expansion through systematic internal development supplemented by targeted external recruitment, including collaboration with universities to cultivate future talent, and with a forward-looking focus on core capability building and alignment with our global business layout. We will also enhance our customer-facing capabilities by establishing dedicated service teams attending to leading global OSAT, IDM and IC design companies and by strengthening our global presence through dedicated business and technical personnel.

OUR PRODUCTS

Overview

Our main products are IC substrates. IC substrate is a specialized, high-density interconnection platform used in semiconductor packaging, serving as a critical carrier that provides electrical connectivity, mechanical support and thermal management between the silicon die and the printed circuit board. IC substrates typically require fine circuitry and multi-layer structures to meet customers' requirements for electrical performance, signal integrity, and thermal management.



During the Track Record Period, our IC substrates include FCBGA, FCCSP, WBCSP and module substrates. The following table sets forth a breakdown of our revenue by product type for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
IC Substrates										
FCBGA	128,187	10.8	538,359	26.2	966,610	34.2	181,411	33.6	371,534	40.2
FCCSP	690,680	58.4	1,024,964	49.9	1,102,155	39.0	234,867	43.5	310,718	33.6
WBCSP and module	296,509	25.1	398,612	19.4	606,974	21.5	98,547	18.2	183,048	19.8
Sale of scrap materials and Others[(1)]	67,486	5.7	93,587	4.5	152,883	5.3	25,701	4.7	58,589	6.4
Total	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100.0**	**923,889**	**100.0**

Notes:

(1) Others primarily include revenue from rental income.

The following table sets out a breakdown of sales volume and ASP information of our IC substrates by product type for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Volume (panel)	*ASP RMB*	*Volume (panel)*	*ASP RMB*	*Volume (panel)*	*ASP RMB*	*Volume (panel)*	*ASP RMB*	*Volume (panel)*	*ASP RMB*
FCBGA	12,706	10,089	68,314	7,881	123,315	7,839	22,037	8,232	47,233	7,866
FCCSP	530,235	1,303	718,904	1,426	774,094	1,424	162,752	1,443	203,920	1,524
WBCSP and module	374,971	791	467,150	853	696,124	872	108,502	908	200,224	914
Total	**917,912**	**1,289**	**1,254,367**	**1,639**	**1,593,532**	**1,775**	**293,290**	**1,843**	**451,378**	**2,047**

Notes:

(1) ASP is calculated by dividing the revenue in a given product category by the corresponding sales volume.

During the Track Record Period, the significant growth in sales volume across all our IC substrate types was mainly driven by the significant market demand, as well as our capacity growth. See "Industry Overview" for the market demand of IC substrates in Chinese Mainland and globally. Changes in ASP are generally affected by product mix within each product type. However, our gross margin across product types increased significantly during the Track Record Period. See "Financial Information — Principal Components of Consolidated Statements of Profit or Loss — Gross Loss/Profit and Gross Margin" for more details.

Applications of Our Products

Our IC substrates can be categorized by application into smart device, AI and HPC, memory, automotive and robotics, and network communications.

The following table sets forth a breakdown of our revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
IC Substrates										
Smart Device	809,909	68.5	1,232,480	60.0	1,362,350	48.2	273,742	50.6	401,321	43.4
AI and HPC	26,894	2.3	361,052	17.6	716,217	25.3	130,200	24.1	300,904	32.6
Memory[(1)]	175,309	14.8	194,897	9.5	352,205	12.5	60,357	11.2	102,628	11.1
Automotive and Robotics	22,203	1.9	89,039	4.3	79,235	2.8	7,158	1.3	36,728	4.0
Network Communications	81,061	6.9	84,467	4.1	165,732	5.9	43,368	8.0	23,719	2.6
Sale of scrap materials and Others[(2)]	67,486	5.6	93,587	4.5	152,883	5.3	25,701	4.8	58,589	6.3
Total	**1,182,862**	**100**	**2,055,522**	**100**	**2,828,622**	**100**	**540,526**	**100**	**923,889**	**100**

Notes:

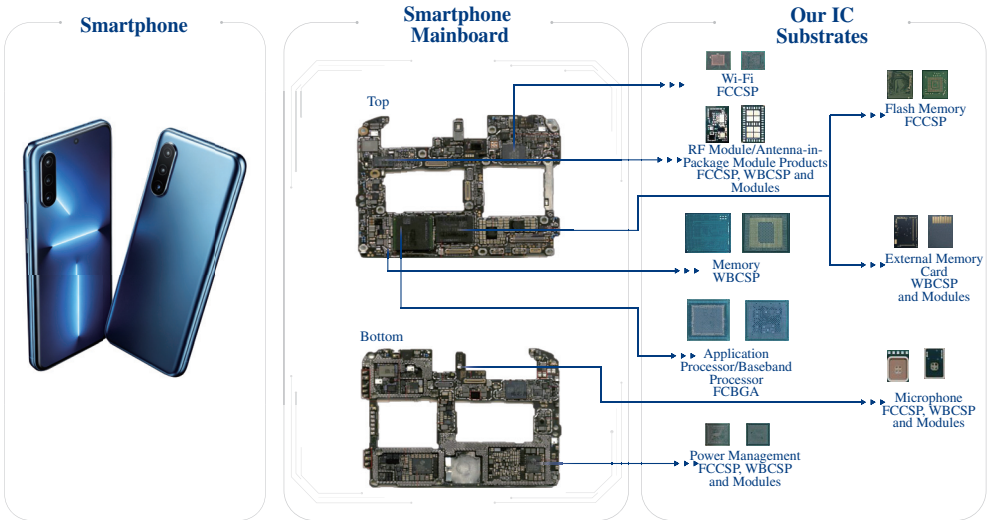
(1) Memory is presented separately as it is utilized across application areas other than those set forth in this table.

(2) Others primarily include revenue from rental income.

Smart Device

Smart device application is driven by the continuous upgrade of personal computers, smartphones, tablets and wearable devices. As these devices become thinner, lighter and more powerful, they require IC substrates that support high integration, stable signal transmission, high-density interconnection and efficient power and thermal management. Our IC substrates are used in key chips and modules, supporting computing, communication, sensing, audio, power management and connectivity functions across a wide range of smart device applications.

The following picture is an illustration of our products integrated into a smartphone:



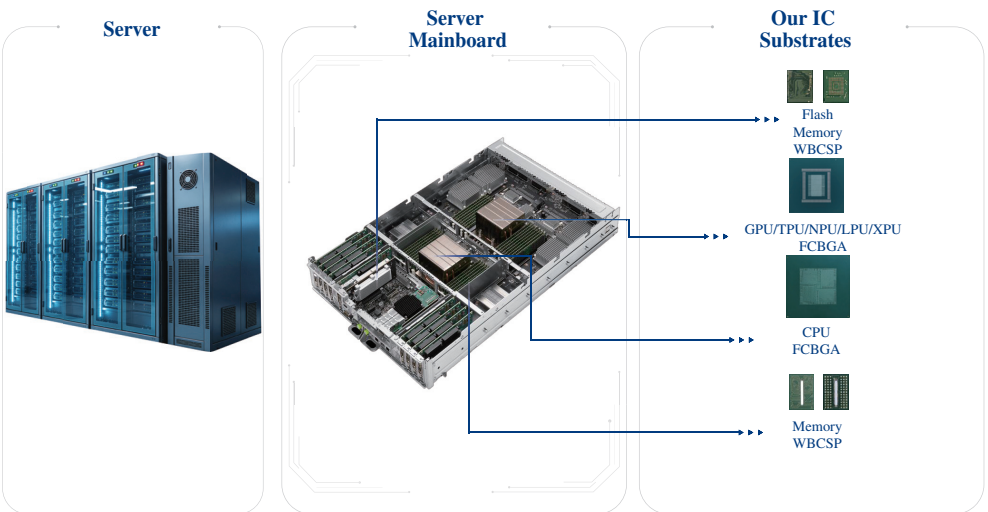
The following table sets forth our products used in the smart device application area, target chip types, application scenarios and major design features:

Product	Chip Type	Application Scenario	Design Features
FCBGA	CPU/GPU	Desktop, laptop	• Designed to support computing core of personal computers with optimized mature processes, focusing on manufacturing stability and cost optimization • Layer count: 6–16 layers • Body size: 20–70mm
FCCSP	Application processors, baseband processors, Wi-Fi, RF modules, power management integrated circuits	High-end and AI-enabled smartphones, and high-end tablets	• Designed for high-end smartphones and tablets, emphasizing highly integrated SoC design, and high-density interconnects • Layer count: 2–5 layers • ETS line width/spacing as fine as 7/10 μm, with products under development reaching 6/8 μm, and mSAP line width/spacing as fine as 12/16 μm
WBCSP and modules	Power management, microphones, RF modules and AiP (antenna-in-package) modules	Smartphones, smart wearable devices	• Decoder chips focus on energy efficiency and decoding quality, PMICs focus on high-efficiency power conversion, MEMS microphones focus on acoustic-to-electrical conversion, and module products focus on high-frequency signal transmission, optimizing RF performance and heat dissipation. • Layer count: 2–9 layers • mSAP line width/spacing as fine as 25/25 μm, and tenting line width/spacing as fine as 25/30 μm

AI and HPC

AI and HPC applications represent one of the most promising and high-growth application areas for IC substrates. Driven by the rapid development of generative AI, cloud computing, high-performance computing and large-scale data processing, AI and HPC increasingly require advanced computing chips with higher computing power, higher I/O density, faster signal transmission and improved thermal management. These trends create strong demand for high-performance IC substrates, particularly FCBGA substrates with larger sizes, higher layer counts and finer line widths, which are critical to supporting AI accelerators, CPUs, GPUs and other advanced processors used in AI and HPC infrastructure.

The following picture is an illustration of our products integrated into a server:



The following table sets forth our products used in AI and HPC application area, target chip types, application scenarios and major design features:

Product	Chip Type	Application Scenario	Design Features
FCBGA	CPU/GPU/TPU/NPU/LPU/XPU	AI servers, high-performance computing, general purpose servers, cloud computing node	• Designed to support enhanced computing performance through ultra-high-layer routing and high I/O density, with compatibility for 2.5D/3D packaging and Chiplet heterogeneous integration • Layer count: 8–26 layers • Body size: 35–120 mm (the single-side dimension of products under development will exceed 150 mm) • Semi-additive process line width/spacing as fine as 9/12 μm, laser via diameter as small as 40 μm, and the number of micro solder balls exceeding 30,000, with next-generation products expected to exceed 100,000

Memory

Memory is a rapidly growing application area for IC substrates, supported by the increasing demand for data storage and high-speed data processing across smartphones, personal computers, data centers, automotive electronics and AI-related applications. In recent years, the expansion of cloud computing, generative AI, edge devices and intelligent terminals has driven continued upgrades in memory capacity, bandwidth and performance. These trends have increased the need for reliable and compact IC substrates that support stable electrical performance, efficient signal transmission and high-volume production for memory chips. The following table sets forth our products used in the memory application area, target chip types, application scenarios and major design features:

Product	Chip Type	Application Scenario	Design Features
WBCSP	Low power double data rate (LPDDR) memory, dynamic random access memory (DRAM), NAND flash memory and MultiMediaCard (MMC)	Phones, smart wearable devices, servers, personal computers, automotive	• Realizing stable electrical connections and mechanical support within a compact and ultra-thin form factor, with support for high-speed read/write, high bandwidth, and low latency, ensuring efficient data processing • Layer count: 2–4 layers • mSAP line width/spacing as fine as 25/25 μm, and tenting line width/spacing as fine as 30/30 μm

Automotive and Robotics

The rapid evolution of automotive and robotics is opening up new opportunities for IC substrate applications. In automotive and robotics, rising intelligence—driven by intelligent cockpits, autonomous driving and advanced sensing—requires compact, reliable computing platforms. This imposes stringent requirements on IC substrates in packaging reliability, electrical performance, miniaturization and thermal management, supporting sustained long-term demand growth. The following table sets forth our products used in the automotive and robotics application area, target chip types, application scenarios and major design features:

Product	Chip Type	Application Scenario	Design Features
FCBGA	ADAS chips, smart cockpits chips, intelligent control chips	Smart driver assistance systems, smart cockpits, in-vehicle audio-visual systems, intelligent control units	• For automotive: ADAS chips are responsible for perception and decision-making in intelligent driving, enabling various driver-assistance functions. Smart cockpit chips coordinate in-vehicle audiovisual interaction and device control, comprehensively enhancing driving and riding comfort • For robotics: These chips serve as the decision-making and execution hub of robots, processing multi-sensor information with real-time computing power to ensure that robots safely and accurately complete physical tasks • Layer count: 6–16 layers • Body size: 23–70 mm • Cpk> 1.67[(1)]

Product	Chip Type	Application Scenario	Design Features
FCCSP	Smart cockpit, Automotive-grade MCUs	Smart cockpits, in-vehicle audio-visual systems, vehicle body control	• For cockpit audio-visual: Serving as the center for in-vehicle interaction and user experience, driving multi-screen interaction and intelligent services through computing power and multimedia capabilities • For vehicle body control: Stringent requirements for functional safety and system stability, ensuring stable and reliable vehicle performance • Layer count: 2–5 layers • ETS line width/spacing as fine as 7/10 μm, with products under development reaching 6/8 μm, and mSAP line width/spacing as fine as 12/16 μm • Cpk> 1.67(1)
WBCSP and modules	PMIC, communication chips, RF modules	In-vehicle power management, in-vehicle networking	• Responsible for power conversion and data communication, with optimized cost and power consumption • Layer count: 2–9 layers • mSAP line width/spacing as fine as 25/25 μm, and tenting line width/spacing as fine as 25/30 μm • Cpk> 1.67(1)

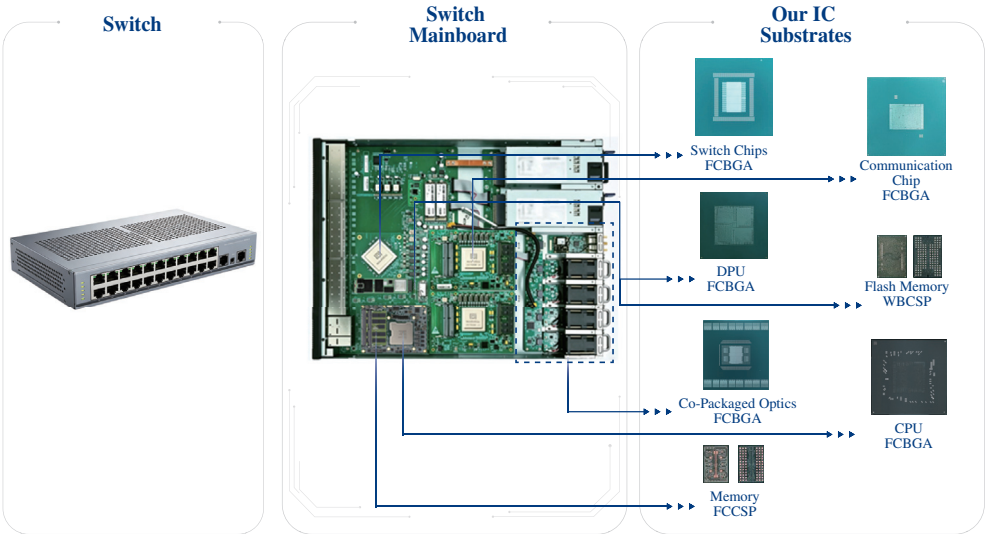
Note:

(1) Cpk means process capability index. It is a statistical quality control indicator used to measure whether a manufacturing process can consistently produce products within specified tolerance limits. Cpk > 1.67 indicates that the production process has strong capability and stability, with process variation well controlled within the required specifications.

Network Communications

Network communications represent an important application area for IC substrates, supported by the continued development of 5G networks, high-speed broadband, optical communications, data transmission infrastructure and edge computing. IC substrates used in this area typically require high-speed signal transmission, low signal loss, stable electrical performance and are typically designed with low-loss ABF material systems and low-roughness copper surfaces to reduce insertion loss and return loss. As communication networks continue to evolve toward higher bandwidth, lower latency and greater data-processing capacity, demand for high-performance IC substrates used in network processors, switches, routers, base stations and related communication equipment is expected to continue to grow.

The following picture is an illustration of our products integrated into a switch:



The following table sets forth our products used in the network communications application area, target chip types, application scenarios and major design features:

Product	Chip Type	Application Scenario	Design Features
FCBGA	Switch chips, communication chips, DPU	CPO, 5G/6G base stations, edge routers	• Designed to support 400G/800G/1.6T and higher-speed interfaces, addressing signal-integrity and high-I/O requirements • Layer count: 8–20 layers • Body size: 21–110 mm • Semi-additive process line width/spacing as fine as 9/12 μm, laser via diameter as small as 60 μm, and the number of micro solder balls exceeding 30,000, with products under development expected to exceed 100,000

Our IC Substrates

FCBGA Substrates

FCBGA substrate is an IC substrate that carries the silicon die through flip-chip bonding on its top side, and provides an array of landing pads on its underside for BGA solder balls, which serve as the external terminals of the completed package for mounting onto the printed circuit board. FCBGA is an advanced packaging technology compared to traditional BGA packaging. FCBGA packages are commonly used for higher I/O counts and offer improved electrical and thermal performance for end applications, such as AI and HPC area. They are trending toward large-size, high-layer-count, low warpage, and high precision.

Our FCBGA substrates use Ajinomoto Build-up Film (ABF) materials and are designed to support advanced, high-performance packaging requirements. The key specifications of our FCBGA substrates include a layer count of 4 to 26+ layers, core thickness ranging from 0.15 mm to 1.6 mm, product sizes

from 15 mm × 15 mm to 120 mm × 120 mm, and line width/spacing of 9/12 μm. Our technology enables our products to achieve three main features: (1) large-size, high-layer-count, (2) low warpage, and (3) high precision.

- **Large-size and high-layer-count:** We have developed high-reliability substrates designed for silicon interposers, addressing key challenges such as vertical interconnection, thermal management, and interlayer stress balance. Our products demonstrate internationally advanced levels of thermal resistance and fatigue performance. We have also achieved breakthroughs in core technologies including high-layer-count structural design, high-precision layer-to-layer alignment, ultra-low- loss signal transmission, and warpage control for large-size substrates. These advancements enable the mass production of advanced packaging substrates with single-die sizes of 100 mm × 100 mm and 24 layers or more, as well as the R&D validation of advanced packaging substrates with single-die sizes of 138 mm × 138 mm and 28 layers or more, meeting the stringent requirements of high-performance computing applications, such as large-scale model training and inference.

- **Low warpage:** To address the industry-wide challenge of severe warpage in large-size substrates during processes such as lamination and reflow, we have significantly reduced deformation, reduced residue stress and improved flatness, through matched design of low-CTE core materials and build-up dielectrics, high-rigidity symmetric stack-up structures, and refined thermal-stress management processes, in conjunction with customized advanced equipment. These technologies allow us to control final product warpage within 0.1%, substantially improving packaging yield and long-term reliability of end products.

- **High precision:** Our high-integration, high-interconnect-density substrates achieve interlayer alignment accuracy of ±10 μm, which refers to the precise registration of laser-drilled microvias in the build-up layers as well as the accurate alignment of solder mask openings with the corresponding pads, ensuring precise stacking and interconnection of multilayer circuit structures and delivering excellent impedance control and electrical performance for high-frequency, high-speed signal transmission.

FCCSP Substrates

FCCSP substrates adopt flip-chip interconnection technology. Leveraging their miniaturization and flexible structural design capabilities, they are mainly used as advanced fine-pitch packaging substrates for smartphones and automotive electronics.

Our FCCSP substrates use bismaleimide triazine resin glass-fiber copper-clad laminates (BT-CCL) as the base material. Their package size is significantly smaller than that of FCBGA substrates, making them lightweight carriers. Compared with WBCSP packaging technology, FCCSP is designed to provide higher I/O density and improve system performance and stability. Our FCCSP products incorporate embedded trace designs, where circuits are embedded within prepreg to protect fine-line circuitry and enable higher-density interconnects, with key specifications including a layer count of 2 to 5 layers, overall thickness ranging from 0.08 mm to 0.5 mm, product sizes from 3 mm × 3 mm to 21 mm × 21 mm, and line width/spacing down to 6/8 μm. Our technology enables our products to achieve three main features: (1) fine-line circuitry, (2) microvia structures, and (3) thin-form design.

- **Fine-line circuitry:** Our embedded trace substrate (ETS) process supports mass production at line width/spacing of 7/10 μm, with sample-level capability reaching 6/8 μm, while our mSAP process achieves mass production at line width/spacing of 12/16 μm, with sample-level capability reaching 11/15 μm.

- **Microvia structures:** Our microvia processing technology enables the formation of ultra-fine microvia arrays with diameters below 40 μm, with diameter tolerance controlled within ±3 μm. A single substrate can integrate tens of thousands to hundreds of thousands of microvias. Our stacked via architecture can enhance memory chip bandwidth by over 20% while reducing package size, meeting the ultra-thin design requirements of smart devices.

- **Thin-form design:** Our equipment supports IC substrate production with thickness as low as 40 μm and can be customized to ultra-thin specifications for memory chip stacking applications, reducing thickness by more than 50% compared to conventional substrates. When combined with coreless substrate technology, we further enhance substrate flexibility and space utilization, achieving total thickness of the finished product as low as 90 μm for two-layer products and as low as 80 μm for three-layer coreless products to meet the requirements of flexible smart devices.

WBCSP Substrates

WBCSP substrates are IC substrates based on a wire-bonding architecture, and represent the largest-volume basic category of IC substrates in the industry. The chip is mounted face-up, and electrical interconnection between the chip and the substrate is achieved through gold wire bonding. This also gives WBCSP package substrates greater flexibility in interconnection methods, enabling the stacking of multiple chips within a single package. Compared with FCCSP substrates, WBCSP substrates generally involve lower technical complexity and lower costs, and are mainly used in mature-process applications. They are a preferred choice for chip packaging applications with high cost-performance requirements, such as memory, smart devices and automobiles.

The key specifications of our WBCSP substrates include a layer count of 2 to 5 layers, overall thickness ranging from 0.12 mm to 0.56 mm, product sizes from 2 mm × 2 mm to 27 mm × 27 mm, and line width/spacing of 12/16 μm and above.

Module Substrates

Module substrates are primarily used for radio-frequency (RF) system-in-package substrates, which encapsulate multiple heterogeneous bare chips and passive components within a single package and are the core interconnection carrier for RF modules and antenna-in-package modules. Module substrates typically (i) require a high degree of line width uniformity and copper thickness uniformity, (ii) use high-frequency materials with low dielectric constant and low dielectric loss to ensure the integrity of high-frequency signal transmission., and (iii) feature a high level of functional integration to achieve product miniaturization. The key specifications of our module substrates include a layer count of 2 to 9 layers, overall thickness ranging from 0.13 mm to 0.36 mm, product sizes from 1 mm × 1 mm to 12 mm × 12 mm, and line width/spacing of 12/16 μm.

RESEARCH AND DEVELOPMENT

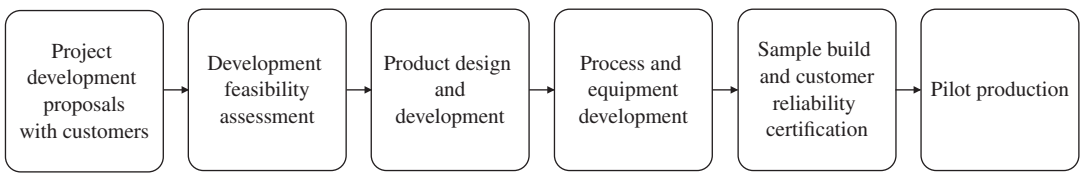
Our R&D Team and Investment

Our commitment to research and development is critical to our long-term growth. As of the Latest Practicable Date, our R&D team comprised 626 employees. Our R&D team possesses industry experience in IC substrate technology, product innovation, materials science and advanced manufacturing processes.

During the Track Record Period, we continually address technical and engineering challenges associated with customizing and delivering IC substrates in line with the evolving market and customer demands. In 2023, 2024, 2025 and three months ended March 31, 2025 and 2026, our R&D expenses were RMB123.4 million, RMB153.8 million, RMB155.8 million, RMB36.8 million and RMB39.2 million, accounting for 10.4%, 7.5%, 5.5%, 6.8% and 4.2% of our total revenue, respectively. Our R&D efforts have led to various accomplishments. As of the Latest Practicable Date, we owned 236 patents and 75 ongoing patent applications, covering the key aspects of our operations and other emerging technology areas. See "— Intellectual Property" for more details.

Our R&D Approach and Process

We adopt a structured, systemized R&D approach across functions to develop new IC substrates and technologies and continuously enhance process capabilities. Our stage-gated R&D framework, supported by integration of ProjectLink, OA, and SAP systems, enables standardized execution, milestone control, and cross-functional collaboration, enhancing transparency, traceability and on-time delivery. The following flowchart set forth the key stages of our R&D process:



- ***Project development proposals with customers:*** We identify and select R&D projects based on customer collaboration opportunities, customer product roadmaps, and industry technology and market trends. This helps align project selection with customer requirements, application needs, development objectives, expected timelines and anticipated industry development.

- ***Development feasibility assessment:*** We assess technical feasibility, market value and commercial potential, including materials availability, design complexity, process capability, market demand, technology lifecycle, expected returns and customer roadmap alignment. This helps ensure that projects entering formal development have clear technical pathways and commercial rationale.

- ***Product design and development:*** We complete structural design, define key design parameters and constraints based on customer requirements, and formulate preliminary process flows and design-for-manufacturability considerations for subsequent development.

- ***Process and equipment development:*** We develop and verify critical process steps, process windows and equipment/process parameters, and optimize process flows to support manufacturability and product requirements, including large-sized, high-layer-count, highly integrated FCBGA substrates and miniaturized FCCSP, WBCSP and module substrates.

- ***Sample build and customer reliability certification:*** We fabricate engineering samples under approved design rules and process flows, provide them to customers for reliability verification and performance evaluation, and refine product design or process parameters based on test results where necessary.

- ***Pilot production:*** We conduct pilot production to verify mass production readiness, including process stability and repeatability, bottleneck resolution, and finalization of control plans and key quality/process documentation for commercial production.

Our Technologies

Our core technologies enable us to develop and customize high-performance IC substrates to meet our customers' evolving requirements across different application scenarios. We will continue to improve our technological capabilities aimed at enhancing circuit precision, via formation capability, product stability and reliability, with a focus on fine line formation and hole control. We promote innovation in product design, material application, process technology and equipment selection to enhance product quality:

- **Product design.** Our product design capabilities enable us to provide IC substrate solutions for various forward-looking application scenarios in the AI era. To support the advanced packaging requirements for higher computing power and higher levels of integration, we are developing products with larger sizes (>100 mm) and higher layer counts (≥30 layers). To support higher-density interconnection, we have developed a variety of miniaturization processes, including fine lines, microvia diameters, fine solder mask opening capabilities and fine micro solder ball pitches. In terms of fine-line capabilities, our semi-additive process can achieve sample-level capability reaching 8/8 μm; our modified semi-additive process can achieve sample-level capability reaching 11/15 μm; and our embedded circuit process can achieve sample-level capability reaching 6/8 μm. We have also developed microvia capabilities that enable the production of 40 μm laser vias on 60 μm pads, as well as fine solder mask opening capabilities that enable the production of 40 μm solder mask openings on 60 μm pads, and micro solder ball pitch capabilities as low as 80 μm to accommodate higher I/O counts.

- **Material application.** We possess process capabilities for a variety of advanced materials and have established a comprehensive material data system, enabling us to complete material selection at the proposal stage of co-development with customers. We work closely with customers to develop and validate IC substrates using next-generation low-CTE and low-loss materials, including CCL, ABF materials and prepregs, which can address challenges such as high flatness and high-frequency, high-speed transmission. We have also developed a copper surface micro-roughening treatment process, which applies a low-etching-volume solution to signal layers with stringent line width/spacing requirements, thereby ensuring dimensional accuracy of fine lines, impedance stability and signal integrity.

- **Process technology.** We have developed advanced process technologies to meet the diverse requirements of our customers, including but not limited to: (i) coreless substrate technology, which is designed to eliminate the core layer traditionally used in IC substrates, thereby significantly reducing the vertical profile and overall weight of the package; by reducing the thickness of the dielectric layer, this technology can also reduce signal transmission delay, improve signal integrity and support higher-frequency and higher-speed data transmission; (ii) multi-core layer technology, which involves replacing a single thick core with a stacked structure of multiple thin core boards, providing an advanced solution for chips with large package sizes, high power consumption and high I/O density; (iii) embedded passive component technology, which is designed to embed passive components inside the substrate to improve signal integrity, save space and enhance the level of integration; and (iv) copper pillar technology, which uses high-density copper pillars to replace traditional micro solder balls, enabling higher-density routing and increasing I/O counts.

- **Equipment selection.** Our intelligent manufacturing products are equipped with stepper exposure machines, high-precision CO2 laser drilling machines and high-precision ball placement machines, and the capabilities of our key equipment can cover fine-line, microvia and fine micro solder ball pitch designs. For other technological capabilities under development, we are also actively developing new equipment to meet customers' demand for more advanced products, such as lamination machines for multi-core layer technology and embedded component placement machines for embedded passive component technology.

INTELLECTUAL PROPERTY

Our intellectual property rights are critical to our business operations. As of the Latest Practicable Date, we owned 236 patents (including 188 invention patents), eleven registered trademarks and three copyrights globally. See "Appendix V — Statutory and General Information — B. Further Information about our Business — 2. Intellectual Property" for more details of our material intellectual property portfolio.

We safeguard our intellectual property through applicable intellectual property laws, as well as confidentiality agreements signed with our employees. We specify all rights and obligations regarding the ownership and protection of intellectual properties in all employment agreements we entered into with our employees. In addition, we require employees to sign standard agreements stipulating that any service inventions, trade secrets, and R&D achievements acquired during their service with us shall be our assets and that the titles of such achievements shall be transferred to us. As of the Latest Practicable Date, our intellectual property portfolio included certain Material Co-owned Patents (as defined below). As advised by our PRC IP Legal Advisor and U.S. IP Legal Advisor, (a) our Group is entitled to the complete and unrestricted use of the Material Co-owned Patents and has the rights to use and grant non-exclusive license in respect of the Material Co-owned Patents to third parties independently; (b) our Group is entitled to all revenue or income derived by our Group from the Material Co-owned Patents; and (c) the rights of our Group with respect to the Material Co-owned Patents are not subject to unilateral termination by the Retained Zhen Ding Group. See "Relationship with Our Controlling Shareholders — Non-Competition Undertaking, and, — Independence from Our Controlling Shareholders — Research and Development" for more details.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business.

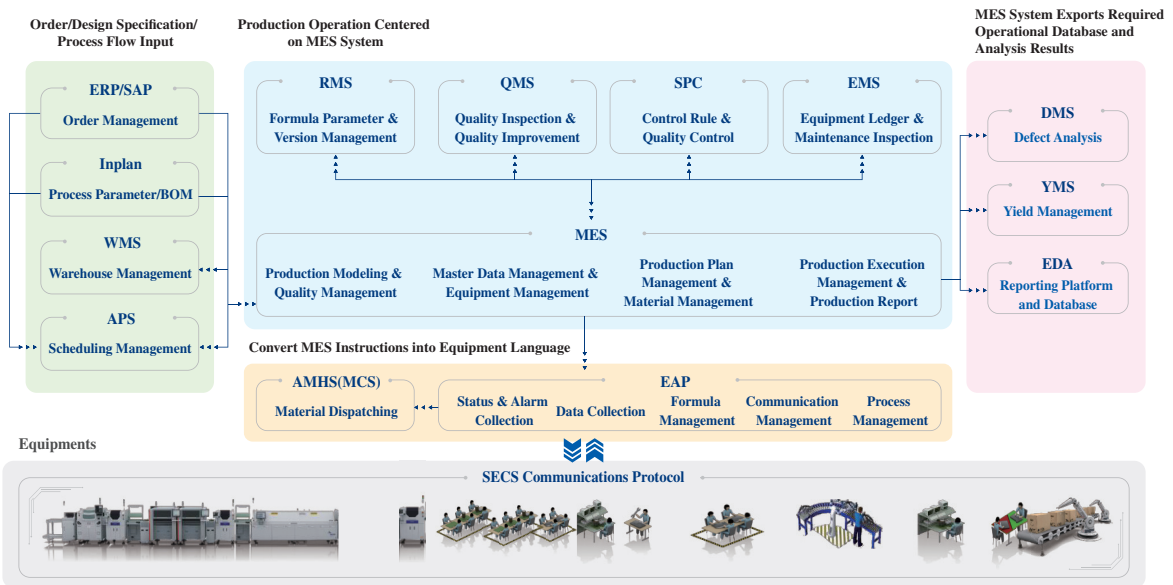
PRODUCTION

Production Process

Intelligent Production and Application of AI Tools

We are among the first IC substrate providers globally to adopt the Semiconductor Equipment Communication Standard (SECS) communications protocol, according to Frost & Sullivan, enabling data-driven control across the product life cycle and ensuring stable and traceable production parameters. Our manufacturing operations are highly automated and intelligent, built to international standards and supported by leading global equipment suppliers in Japan, Chinese Taiwan, Korea, and Germany. We leverage full-process intelligent manufacturing, integrating semiconductor manufacturing software, end-to-end automation and AI-enabled design and inspection within a unified digital architecture, enhancing efficiency, quality and stability.

Our integrated intelligent system connectivity is centered on Manufacturing Execution System (MES) and integrates other systems of order, design, process and production. It connects different systems with one another, forming a complete intelligent system for a smart factory. In addition, powered by SECS communication protocols, data of our production facilities is shared in real time and centrally managed, enabling remote monitoring, precise resource scheduling and informed decision-making.



- *SECS Qualified Manufacturing Equipment*

Our production equipment adopting the advanced SECS Communications Protocol used in the semiconductor industry includes laser direct imaging (LDI), laser drilling, high-precision AOI, vertical continuous plating (VCP) and ABF lamination. See "— Our Supply Chain — Equipment" for more details.

- *Order/Design Specification/Process Flow Input*

We use an SAP system as our operational hub, integrating financial, materials, sales and manufacturing functions and linking sales orders to production. Through Inplan software, we convert customer designs into standardized work orders, accelerating new product introduction. Integrated with warehouse management (WMS) and advanced planning systems (APS), we enable real-time production and material visibility, enhancing supply chain efficiency.

- *Production Operations Centered on the MES*

We use the MES as the brain of our production operations, together with APS for dynamic scheduling, to maximize production line utilization and eliminate production bottlenecks. In conjunction with the Recipe Management System (RMS) and the Quality Management System (QMS), we have upgraded the traditional "post-production sampling inspection" model to "full-process real-time monitoring and pre-warning," ensuring excellent delivery quality.

- *Converting MES Instructions into Equipment Language*

SECS is the rigorous communication mechanism established between MES and equipment, serving as the physical foundation for intelligent manufacturing. The Equipment Automation Program (EAP) is able to accurately transmit recipes and work order instructions issued by MES to equipment. At the same time, the real-time operating status, temperature, pressure and alarm information of the equipment can also be immediately fed back to MES and EAP through SECS channels, enabling second-level data collection and monitoring as well as highly intelligent production.

- *MES System Outputs Databases and Analytical Results Required for Operations*

The system conducts full-production-line quality traceability through the Yield Management System (YMS) and Defect Management System (DMS). YMS and DMS can deeply integrate MES production history data with IC substrate testing data. In combination with Fine Business Intelligence and Fine Report Business Intelligence platforms, we conduct in-depth mining and attribution analysis of massive production data to accurately identify the causes of micron-level process variations. We have also established a data warehouse to store production data, laying a solid foundation for subsequent system development and deeper data mining.

- *Application of AI Tools*

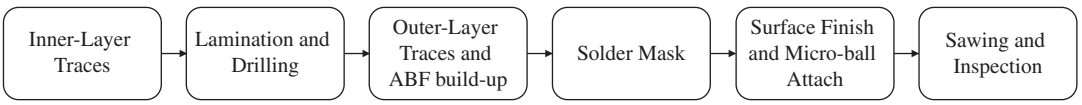
We apply AI across R&D, manufacturing, quality control and logistics to improve efficiency through system integration, data and automation, covering intelligent design, machine learning and analytics, AI-aided production management and AI-aided monitoring. In intelligent design, we use standardized databases and AI tools with Optical Character Recognition (OCR) and large models to extract parameters from drawings and convert them into production parameters. In machine learning and analytics, we use automation and algorithms to support data analysis and decision-making. In AI-aided production management, our Advanced Planning System (APS) enables dynamic scheduling by integrating multiple production constraints, including equipment status, work-in-process levels and processing time. In AI-aided monitoring, our quality traceability system, together with inspection, Fault Detection and Classification (FDC) and Prognostics and Health Management (PHM) systems, enables real-time alerts and predictive maintenance.

Our intelligent production system supports consistent quality improvement and enables process optimizations to be standardized and replicated across new production lines. This provides technical support for future capacity expansion. In addition, our financial systems are integrated with manufacturing operations, with production data processed through SAP and converted into financial information, improving the efficiency and accuracy of financial reporting.

Our Production Process

The production process varies depending on the product type and customer requirements. The following sections set forth the key steps in the production processes for FCBGA, FCCSP (embedded and non-embedded trace type), WBCSP and module substrates.

FCBGA Production Process



1. **Inner-Layer Traces:** Mainly comprising drilling, copper plating, via plugging and image transfer, this process enables vertical signal interconnection, and transfers circuit patterns to inner layers.

2. **Lamination and Drilling:** ABF film is heat-pressed in a vacuum environment to improve flowability and form a dense insulating layer, followed by laser processing and electroplating to enable interlayer conduction.

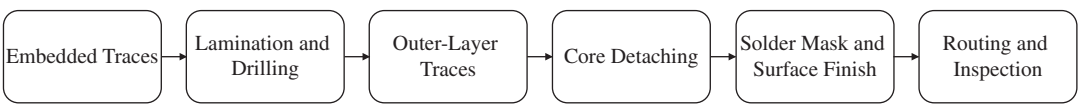
3. **Outer-Layer Traces and ABF build-up:** The designed circuit patterns are transferred onto the outer layers through image transfer technology and a series of processes, including desmear, electroless copper plating, dry-film lamination, exposure, development, electroplating and etching.

4. **Solder Mask:** Solder mask involves applying permanent solder resist to protect non-soldering areas while exposing soldering areas for subsequent use.

5. **Surface Finish and Micro-ball Attach:** Surface finish (immersion tin/electroless nickel electroless palladium immersion gold/OSP) forms an oxygen barrier to prevent oxidation and facilitate soldering, while micro-ball attach ensures precise solder ball placement and reflow.

6. **Sawing and Inspection:** Products are cut into shipment units and undergo electrical testing and visual inspection before delivery.

FCCSP (Embedded Trace Type) Production Process



1. **Embedded Traces:** Circuit formation is achieved through electroplating and etching to embed circuitry into the resin of the prepreg dielectric layer for protection.

2. **Lamination and Drilling:** Lamination softens prepreg under heat and pressure to bond with copper surfaces, while drilling and electroplating enable interlayer conduction.

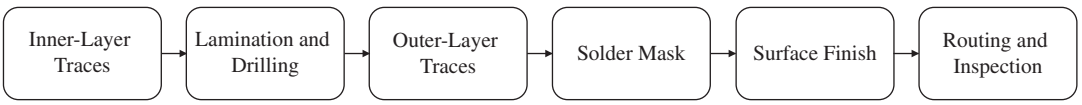
3. **Outer-Layer Traces:** Circuit layers are formed through chemical copper deposition, film lamination, exposure, development, electroplating and etching.

4. **Core Detaching:** After embedded circuitry is formed, the detachable substrate is separated and processed.

5. **Solder Mask and Surface Finish:** Solder mask protects non-soldering areas while surface finish applies organic solderability preservative (OSP) to prevent oxidation and facilitate soldering.

6. **Routing and Inspection:** Products are routed to required dimensions and undergo electrical and visual inspection.

FCCSP (Non-Embedded Trace Type), WBCSP and Module Production Process



1. **Inner-Layer Traces:** The process comprises drilling, copper plating and image transfer to enable vertical signal conduction and transfer circuit patterns onto IC substrates.

2. **Lamination and Drilling:** Lamination softens prepreg under heat and pressure to achieve build-up and bonding, while laser drilling and electroplating enable interlayer conduction.

3. **Outer-Layer Traces:** Chemical copper deposition and image transfer (tenting or mSAP) are used to form circuit layers, followed by AOI inspection.

4. **Solder Mask:** Solder mask involves applying permanent solder resist to protect non-soldering areas while exposing soldering areas for subsequent use.

5. **Surface Finish:** Surface finish forms a protective barrier on copper conductors through processes such as soft/hard gold electroplating, electroless nickel immersion gold, electroless nickel electroless palladium immersion gold and OSP to prevent oxidation and ensure solderability.

6. **Routing and Inspection:** Products are routed to required dimensions and undergo electrical and visual inspection.

Existing Production Facilities

We operate in a rapidly growing AI market where the production capacity often limits the growth potential of a company in the supply chain. Against this backdrop, we strategically anticipated the future capacity needs, and incorporated substantial capacity expansion headroom in our initial plant design, coupled with a phased equipment installation approach to quickly ramp-up our capacity when our actual orders grow. See "— Business Sustainability and Profitability" for more details.

Our Shenzhen site principally focused on FCBGA substrates, while our Qinhuangdao site principally focused on FCCSP, WBCSP and module substrates. Due to the different technical characteristics of our FCBGA and FCCSP, WBCSP and module substrates, most of the raw materials, chemicals and production equipment used in these product categories differ, and we therefore produce them in separate factories. The current total gross floor area of the Shenzhen site is 213,690.1 sq.m., and that of the Qinhuangdao site is 93,499.1 sq.m.

The following table sets out certain details of our production facilities in operation as of the Latest Practicable Date:

Production Facility	Geographic Location	Major Products	Gross Floor Area (m^2)	Mass Production Year	Expansion to Designed Full-load Production Capacity
Shenzhen Plant 1	Shenzhen, China	FCBGA substrates	84,477	2024	Fourth quarter of 2026
Qinhuangdao Plant 1	Qinhuangdao, China	FCCSP, WBCSP, Module substrates	34,131	2013	First quarter of 2026
Qinhuangdao Plant 2	Qinhuangdao, China	FCCSP substrates	34,580	2022	First quarter of 2027

Since we incorporated substantial capacity expansion headroom in our initial plant design, our utilization rates measured as a percentage of our full-load designed capacity tend to be low during the first few years after commencement of operations. We install equipment in our production facilities in stages, and we plan our actual production on a monthly basis based on the forecasted demand of our customers and the anticipated market trends. We continuously monitor our production planning based on the rolling forecasts of customer orders. The following table sets forth our production capacity, actual output and utilization rate for the periods indicated:

	Year ended December 31,						Three months ended March 31,	
	2023		2024		2025		2026	
	Panels[4] (thousands)	*% of (A)*	*Panels[4] (thousands)*	*% of (A)*	*Panels[4] (thousands)*	*% of (A)*	*Panels[4] (thousands)*	*% of (A)*
Shenzhen Plant 1								
(A) Full-load designed capacity[1][2]	3,360	100.0%	3,360	100.0%	3,360	100.0%	840	100.0%
(B) Actual-installed capacity[1][3]	856	25.5%	1,050	31.3%	1,050	31.3%	302	36.0%
(C) Actual output[1]	116	3.5%	446	13.3%	727	21.6%	280	33.3%
Qinhuangdao Plant 1								
(A) Full-load designed capacity[1][2]	1,411	100.0%	1,411	100.0%	1,411	100.0%	353	100.0%
(B) Actual-installed capacity[1][3]	1,243	88.1%	1,263	89.5%	1,324	93.8%	344	97.5%
(C) Actual output[1]	927	65.7%	972	68.9%	1,200	85.0%	339	96.0%
Qinhuangdao Plant 2								
(A) Full-load designed capacity[1][2]	1,008	100.0%	1,008	100.0%	1,008	100.0%	252	100.0%
(B) Actual-installed capacity[1][3]	425	42.2%	492	48.8%	640	63.5%	180	71.4%
(C) Actual output[1]	221	21.9%	357	35.4%	526	52.2%	166	65.9%

Notes:

(1) Based on bottleneck stage in the production process. For FCBGA products, we view the circuit build-up (ABF build-up) stage as the bottleneck and for FCCSP, WBCSP and module products, we view surface treatment output as the bottleneck.

(2) Full-load designed capacity represents the designed maximum capacity of the factory, calculated based on the total amount of equipment that can be placed within the overall factory layout. Production time is calculated on the basis of 28 full production days per month after routine maintenance during the period.

(3) Actual installed capacity represents the factory's actual maximum capacity during the period, calculated based on the total amount of equipment actually installed at the factory during the period. Production time is calculated on the basis of 28 full production days per month after routine maintenance during the period, adjusted for annual shutdowns and line stoppages based on actual operational conditions.

(4) Production volume is measured in working panels, which is the standard unit used in production. Prior to shipment, panels are cut to customer-specified sizes.

See "— Business Sustainability and Profitability" for a description of our strategy in planning for our production capacity, and how that affected and is expected to affect our growth, and profitability historically and in the near future.

Planned Production Facilities

We intend to further increase our overall production capacity progressively to satisfy market demand by expanding our existing production facilities and constructing new production facilities. The following table summarizes details of our planned key production facility:

Production Facility	Geographic Location	Major Products	Gross Floor Area	Expected commencement of production	Annual full-load designed capacity	Status as of the Latest Practicable Date
			(m^2)		*Panels[1] (thousands)*	
Shenzhen Plant 2	Shenzhen, China	FCBGA substrates	85,278	First quarter of 2027	3,360[2]	Equipment installation in progress

Notes:

(1) Production volume is measured in working panels, which is the standard unit used in production. Prior to shipment, panels are cut to customer-specified sizes.

(2) Calculated based on ABF build-up stage. Represents the designed maximum capacity of the factory, calculated based on the total amount of equipment that can be placed within the overall factory layout. Production time is calculated on the basis of 28 full production days per month after routine maintenance.

QUALITY CONTROL

We adhere to quality control standards and have established a comprehensive quality management system to facilitate consistent deliveries of qualified IC substrates. Specifically, we adhere to the internationally recognized quality management system certifications, including ISO9001 for overall quality management consistency; IECQ QC080000 for hazardous substance process management during our IC substrate production process; ISO14001 for our environmental management and sustainability practices; and ISO45001 for our occupational health and safety management; IATF16949 for automotive product quality management; ISO22301 for business continuity management; ISO14064 for greenhouse gas management; ISO14067 for product carbon footprint management; ISO50001 for energy management; and ISO27001 for information security management.

We established a dedicated team with expertise in quality control. Our quality control team is responsible for the overall quality management of our operations, and will review and evaluate various processes that encompass the entire production lifecycle, including supplier quality evaluation, incoming material inspections, in-process quality control and finished product inspections.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We maintain an efficient logistics system to enhance customer satisfaction and inventory efficiency. We deliver our products in accordance with the terms agreed with our customers. Where we are responsible for delivery, we engage qualified third-party logistics providers to transport finished goods from our production facilities to customer-designated locations. We establish stringent transportation standards for these logistics providers and conduct regular compliance and performance evaluations to ensure efficient and reliable delivery.

Inventory Management

Our inventories primarily comprise raw materials, work-in-progress and finished goods stored at our Shenzhen and Qinhuangdao production bases. We assign dedicated personnel to report inventory status to management on a regular basis. We operate a SAP system to manage raw material inflows, outflows and inventory levels, and make use of WMS to enable data collection across the product life cycle and maintaining production parameters, with regular stock-taking to ensure accuracy. See "Financial Information — Selected Balance Sheet Items — Net Current Liabilities — Inventories" for more details.

SALES AND MARKETING

Our Sales Network

During the Track Record Period, we primarily sell our products through direct sales, such as direct orders from OSAT, IC design and IDM companies. Most of the products sold through direct sales feature customized specifications as requested directly by our customers. This approach allowed us to deliver tailored products and work closely to address the needs of our customers.

During the Track Record Period, we did not have any distributors, except for one end customer whose business model involves a trading partner undertaking centralized procurement and handling import and export customs clearance. That trading partner serves as our direct customer and revenue from sales via such trading partner represented only 0.2%, 0.2%, 0.2%, 0.2% of our total revenue in 2023, 2024, 2025 and three months ended March 31, 2026, respectively. We signed a sales agreement with this trading partner with similar terms as our other direct sales customers. See "— Our Direct Sales" for more details. We did not enter into any distribution agreement with this trading partner, nor did we authorize it to acquire end customers, negotiate on our behalf, or maintain inventory for resale. To the best of our knowledge, during the Track Record Period, this trading partner was an Independent Third Party. As of the Latest Practicable Date, we were not aware of any potential abuses or improper use of our name by our trading partner that could adversely affect our reputation, business operations or financial condition.

In addition, to establish effective contact with Korean and Chinese Taiwanese customers, we engaged a small number of agents in South Korea and Chinese Taiwan. Our revenue generated from the sales to the customers introduced by these agents accounted for 33.0%, 21.5%, 1.9%, and 1.6% of our total revenue in 2023, 2024, 2025 and three months ended March 31, 2026, respectively. We ended our cooperation with Chinese Taiwan agent in 2025. These agents only provide sales support services such as customer referrals, business liaison and reconciliation assistance and we directly handled order placement, product delivery and settlement of payments with our customers.

During the Track Record Period, our products were sold in both domestic and international markets. The following table sets forth our revenue by sales region during the Track Record Period:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Chinese Mainland	429,529	36.3	1,049,891	51.1	1,603,052	56.7	309,324	57.2	526,084	56.9
Offshore										
Chinese Taiwan	714,385	60.4	912,342	44.4	1,079,432	38.2	211,121	39.1	340,200	36.8
Others[(1)]	38,948	3.3	93,289	4.5	146,138	5.1	20,081	3.7	57,605	6.3
Total	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100.0**	**923,889**	**100.0**

Notes:

(1) Others primarily include South Korea, Singapore and United States.

Our Direct Sales

We sell our products through our sales and marketing team, comprising 74 employees as of the Latest Practicable Date. Through direct sales, we can understand customers' demands and business development plan firsthand, and engage in deep collaboration with customers in strategy, technological roadmap and product development. Such proximity with our customers allows us to sell our products effectively and efficiently. Our customers generally make customized requirements on product specifications for the IC substrates, and will review and conduct certifications on key performance of the required products.

During the Track Record Period, our customers primarily consisted of OSAT, IC design and IDM companies. We develop and acquire customers primarily through the turnkey model, under which OSAT companies typically take the lead in selecting or recommending substrate suppliers based on the requirements of their customers, being IC design companies. In such cases, maintaining close and ongoing engagement with the procurement and engineering personnel of OSAT companies is important for us to secure business opportunities. We are also actively developing IC design and IDM companies as our direct customers. To identify and develop business opportunities, we generally enhance our market outreach and customer access through industry ranking reports, introductions from industry participants, and participation in exhibitions, seminars and other industry events.

We generally enter into framework agreements with our direct sales customers. Salient terms of our typical direct sales agreements are as follows:

- ***Term and termination.*** We generally enter into framework direct sales agreements without a fixed term, which may be terminated by mutual agreement or by either party upon prior written notice under events specified under the agreements.

- ***Pricing policy.*** We sell our products to direct sales customers at mutually agreed price ranges under purchase orders.

- ***Payment and credit term.*** We have both prepayment customers and customers granted credit terms. Credit-term customers make payment within the agreed period after acceptance of products, with payment terms ranging from 30 to 90 days.

- ***Purchase amount.*** We specify purchase amounts in the purchase orders in line with the framework agreements.
- ***Product guarantee and return arrangements.*** We generally do not allow our direct sales customers to return products to us except in limited circumstances such as product defects.
- ***Delivery and logistics.*** We are responsible for delivering our products to locations designated by our direct sales customers.
- ***Confidentiality.*** These framework agreements usually contain strict confidentiality provisions or are accompanied by confidentiality agreement annexes, which restrict parties from disclosing confidential information.

Pricing

We price our products considering a variety of factors, including technology competitiveness, product costs, and purchase volume. According to Frost & Sullivan, the pricing of our main products during the Track Record Period was generally within the price ranges observed in the industry.

Marketing

We have established industry recognition through long-term, in-depth collaboration with leading customers across a broad range of application areas. By adopting differentiated marketing and customer engagement strategies tailored to specific end-markets, we focus our resources on high-growth and strategically important applications, such as AI and HPC, network communications, and automotive.

Our marketing strategy is centered on close and continuous interaction with customers from early-stage engagement and solution design to mass production and post-delivery support. Through frequent technical exchanges and collaborative development initiatives, we are able to gain a deep understanding of customers' evolving product requirements, technology roadmaps and market trends.

This customer-centric approach enables us to position our products effectively, participate in joint development projects, respond promptly to technical challenges during qualification and production, and deliver reliable and timely after-sales support.

Product Return

Based on our policy and agreements with our customers, products sold to customers cannot be returned except for instances of product design defects and quality issues. The value of products returned by customers accounted for 2.0% of our total revenue in 2023, 1.3% in 2024, 0.8% in 2025, and 0.2% in the three months ended March 31, 2026. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material product return, exchange, complaints or product liability claims from our customers. Since we received no material customer complaints or request for product exchange due to product quality and defects which were material to our business, we did not incur any material warranty expense or made any provision for such warranty expense during the Track Record Period and up to the Latest Practicable Date.

OUR CUSTOMERS

During the Track Record Period, our customers primarily consisted of OSAT, IC design and IDM companies. See "— Our Direct Sales" for more details. In 2023, 2024, 2025 was the three months ended March 31, 2026, our revenue generated from our five largest customers were RMB962.6 million, RMB1,668.2 million, RMB2,165.9 million and RMB628.8 million, representing 81.4%, 81.2%, 76.6%

and 68.1% of our total revenue, respectively. In addition, revenues generated from our largest customer accounted for 37.8%, 38.6%, 36.4% and 29.0% of our total revenues in the same periods, respectively.

Except for Retained Zhen Ding Group, all of our five largest customers during the Track Record Period were Independent Third Parties. During the Track Record Period and as of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital had any interest in any of our five largest customers other than Retained Zhen Ding Group. See "Connected Transactions" for further details on the transactions with Retained Zhen Ding Group. To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers.

The following table sets forth the details of our five largest customers in each period during the Track Record Period.

Rank	Customer	Sales Amount	% of total revenue	Type of product/ services purchased	Credit terms	Year of commencement of business relationship[1]
		(RMB'000)				
For the year ended December 31, 2023						
1	Customer A[2] . . .	446,563	37.8	FCBGA, FCCSP, WBCSP	60 days	2011
2	Retained Zhen Ding Group[3] . . .	279,275	23.6	FCBGA, FCCSP, WBCSP	90 days	N/A
3	Customer B[4] . . .	131,335	11.1	FCBGA, FCCSP, WBCSP	60 days	2018
4	Customer C[5] . . .	62,948	5.3	FCBGA, FCCSP, WBCSP	60–90 days	2015
5	Customer D[6] . . .	42,449	3.6	Scrap materials	60 days	2019

Notes:

(1) Representing the commencement of the business relationship with the Group after 2019 or with Retained Zhen Ding Group before the establishment of the Company.

(2) Customer A is an OSAT company incorporated in Chinese Taiwan and listed on the Taiwan Stock Exchange.

(3) Zhen Ding is our Controlling Shareholder. Apart from our Group's business, Zhen Ding has interests in other businesses operating through various direct and indirect subsidiaries that do not form part of our Group. See "Relationship with Our Controlling Shareholders — Business delineation between the retained Zhen ding group and our group" for more details.

(4) Customer B is an OSAT company incorporated in Chinese Mainland and listed on the Shenzhen Stock Exchange.

(5) Customer C is an OSAT company incorporated in Chinese Taiwan and listed on the Taiwan Stock Exchange.

(6) Customer D is a company incorporated in Chinese Mainland, which principally engages in the treatment and disposal of industrial solid waste, including hazardous industrial waste, and the provision of related recycling and technical services.

Rank	Customer	Sales Amount (RMB'000)	% of total revenue	Type of product/ services purchased	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2024						
1	Customer A	792,408	38.6	FCBGA, FCCSP, WBCSP	60 days	2011
2	Customer B	464,229	22.6	FCBGA, FCCSP, WBCSP	60 days	2018
3	Customer C	216,593	10.5	FCBGA, FCCSP, WBCSP	90 days	2015
4	Customer E[(1)]	141,910	6.9	FCBGA, FCCSP, WBCSP	60 days	2021
5	Customer F[(2)]	53,050	2.6	FCCSP, WBCSP	60 days	2013

Notes:

(1) Customer E is an OSAT company incorporated in Chinese Mainland.

(2) Customer F is an OSAT company incorporated in Chinese Mainland and listed on the Shenzhen Stock Exchange.

Rank	Customer	Sales Amount (RMB'000)	% of total revenue	Type of product/ services purchased	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2025						
1	Customer A	1,028,694	36.4	FCBGA, FCCSP, WBCSP	60 days	2011
2	Customer B	710,871	25.1	FCBGA, FCCSP, WBCSP	60 days	2018
3	Customer E	183,159	6.5	FCBGA, FCCSP, WBCSP	60 days	2021
4	Customer C	144,630	5.1	FCBGA, FCCSP, WBCSP	90 days	2015
5	Customer G[(1)]	98,569	3.5	FCCSP, WBCSP	90 days	2011

Notes:

(1) Customer G is an OSAT company incorporated in Chinese Taiwan and listed on the Taiwan Stock Exchange.

Rank	Customer	Sales Amount	% of total revenue	Type of product/services purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)				
For the three months ended March 31, 2026						
1	Customer A	267,686	29.0	FCBGA, FCCSP, WBCSP	60 days	2011
2	Customer B	206,620	22.4	FCBGA, FCCSP, WBCSP	60 days	2018
3	Customer E	55,001	6.0	FCBGA, FCCSP, WBCSP	60 days	2021
4	Customer C	52,689	5.7	FCBGA, FCCSP, WBCSP	90 days	2015
5	Retained Zhen Ding Group	46,756	5.1	Scrap Materials	90 days	N/A

Customer Concentration

In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from our five largest customers accounted for 81.4%, 81.2%, 76.6% and 68.1% of our revenue, respectively. In the same periods, revenue generated from our largest customer accounted for 37.8%, 38.6%, 36.4% and 29.0% of our revenue, respectively. See "Risk Factors-Risks relating to our business and industry — Our business, financial condition and results of operations may be subject to adverse effects from the risk of customer concentration." for further details. According to Frost & Sullivan, given the stringent technical requirements and the critical need for supply chain stability across the downstream semiconductor sectors, the downstream customer base of the IC substrate industry is concentrated in a limited number of leading OSAT companies. As such, we have relatively high concentration among these market-leading customers. We intend to continue our long-term collaboration and mutual technology support with these market-leading customers who are expected to contribute significantly to our revenue base and future growth. As we monitor the market trend closely, we seek to further broaden our customer base by actively developing relationships with other market leaders and new customers, with a view to supporting the sustainable growth of our business.

OUR SUPPLY CHAIN

Raw Materials

Our key raw materials primarily include ABF, CCL (including BT-CCL), gold salt, and solder resist. We primarily source our raw materials from Japan and Chinese Mainland.

We closely monitor market conditions and regularly negotiate pricing and procurement terms with our suppliers to account for the impact of raw material price fluctuations because certain raw materials used in our IC substrates are subject to price volatility. Where appropriate, we seek to reflect material cost movements in our product pricing after negotiating with our customers. For example, in response to fluctuations in gold prices, we have negotiated a price adjustment mechanism with certain customers. Under such mechanism, our product selling price is adjusted by reference to a benchmark gold price agreed with the relevant customers. We also adjust our procurement volume and inventory management strategies based on market trends, aiming to maintain optimal cost efficiency in line with our overall business operations. For key raw materials, we seek to maintain close coordination with major suppliers, conduct advance procurement planning, monitor inventory levels and customer demand forecasts, and diversify our supplier base where commercially practicable.

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

Equipment

Our core production equipment includes laser direct imaging (LDI), laser drilling, high-precision AOI, vertical continuous plating (VCP) and ABF lamination, primarily sourced from specialized suppliers in Japan, Korea, Chinese Taiwan and Chinese Mainland. Below are the details of key high-end SECS qualified equipment:

- Ultra-fine line high-precision stepper exposure machine: This machine is used for image transfer in ultra-fine line fabrication.
- High-precision ball mounting, reballing and reflow integrated machine: This machine is used for fine-pitch ball mounting for advanced semiconductor packaging.
- High-precision 3D micro-bump inspection equipment: This equipment is used for inspection of three-dimensional micro-bump structures.
- High-uniformity ABF lamination machine: This machine is used for ABF lamination with enhanced uniformity.
- High-uniformity vertical continuous electroplating equipment: This equipment is used for electroplating with enhanced uniformity.
- Fully automated color AI intelligent optical inspection equipment: This equipment is used for AI-enabled, fully automated color optical inspection.
- Picosecond laser ultra-micro via processing machine: This machine is used for drilling ultra-micro vias using picosecond laser technology.

We actively manage procurement and maintenance costs through ongoing supplier engagement and align equipment planning with capacity expansion to enhance asset efficiency. We maintain close collaboration with key suppliers and diversify sourcing to mitigate supply risks. During the Track Record Period and up to the Latest Practicable Date, no material supply disruptions occurred, and all equipment operated reliably without material quality or performance issues.

Subcontractors

In the three months ended March 31, 2026, we purchased certain finished products from Retained Zhen Ding Group in the total amount of RMB24,000. See "Connected Transactions — Non-Exempt Continuing Connected Transactions — 6. Framework Purchase Agreement" for more details.

In addition, during the Track Record Period, we have outsourced certain processes with lower technical complexity but higher equipment and labor intensity such as drilling and predelivery inspection to independent third-party contractors specialized in such processes. In 2023, 2024, 2025 and three months ended March 31, 2025 and 2026, our subcontracting fee transaction amount (other than the transaction amount with Retained Zhen Ding Group) was RMB21.4 million, RMB42.5 million, RMB69.5 million, RMB11.3 million and RMB20.5 million, respectively.

We maintain stable cooperation with core independent subcontractors with aligned production plans, delivery requirements and quality standards, and continuously expand our subcontractor base to diversify risk. Our subcontractors are generally required to process products in accordance with our

specifications, drawings, samples and technical requirements, maintain proper control over materials and products provided by us, and bear responsibility for product defects, rework or losses arising from their failure to comply with agreed standards. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material delivery delays, capacity shortages or quality issues in outsourced processes.

Our subcontracting agreements cover technical specifications, pricing, testing responsibilities, procurement policies, delivery and payment terms, and confidentiality and ESG obligations. The price of subcontracting is determined based on process complexity and required processing time.

Our Suppliers

Supplier Selection and Management

We typically engage reputable suppliers to ensure the quality of our products. We consider a comprehensive set of factors when selecting suppliers, which mainly include product quality, proven track record and reputation. In addition, we also implement measures to continuously monitor the final product quality. See "— Quality Control" for more details.

We generally issue purchase orders with our key suppliers, which set forth the general terms and conditions of purchase. Set forth below are salient terms of our purchase orders:

- ***Term and termination.*** We may terminate a purchase order in whole or in part upon supplier breach, non-performance, incomplete performance or delivery of non-conforming products, and the suppliers' warranty obligations survive termination.

- ***Pricing and payment.*** We purchase products from suppliers at the prices set out in the purchase orders, which specify the relevant product, currency, unit price and total purchase amount. The unit price is generally based on the latest price agreed between the parties before payment. Payment terms vary by supplier and purchase order. We may suspend payment obligations or set off amounts payable to suppliers if defects are identified before payment.

- ***Purchase amount and forecast.*** Purchase quantities and delivery dates are generally specified in the purchase orders and may be subject to our latest delivery notices or other delivery requests. Any forecast issued by us is for planning purposes and does not constitute our purchase obligation.

- ***Delivery.*** Suppliers are required to deliver products to our designated locations in accordance with the delivery terms, delivery dates and other requirements under the purchase orders and our latest delivery notices or requests. Suppliers may be liable for delay penalties and related losses for delayed delivery.

- ***Product warranty and return arrangements.*** Suppliers generally warrant that products conform to our specifications and requirements and are free from defects, liens and third-party intellectual property infringement claims for a five-year warranty period, unless otherwise stipulated or a longer period applies. For non-conforming products, we may return, reject, require repair or replacement, deduct payment, procure substitute products at the supplier's cost, terminate the purchase order and claim related losses.

Our Major Suppliers

During the Track Record Period, purchases from our five largest suppliers were RMB299.1 million, RMB408.2 million, RMB712.0 million and RMB275.3 million, representing 35.0%, 34.9%, 41.7% and 46.6% of our total purchases in 2023, 2024, 2025 and three months ended March 31, 2026, respectively. In addition, purchases from our largest supplier accounted for 11.5%, 10.4%, 16.6% and 20.6% of our total purchases in the same periods, respectively. All of our five largest suppliers were Independent Third Parties during the Track Record Period. None of our Directors and their respective associates or our Shareholders who hold more than 5% of our total issued Shares had any interest in our five largest suppliers during the Track Record Period. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period.

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period:

Rank	Supplier	Purchase Amount	% of total purchase	Type of product/services provided	Credit terms	Year of commencement of business relationship[6]
		(RMB'000)				
For the year ended December 31, 2023						
1	Supplier A[1] . . .	98,021	11.5	Gold salt	Payable on invoice	2016
2	Supplier B[2] . . .	61,598	7.2	Ink	90 days	2018
3	Supplier C[3] . . .	56,855	6.7	CCL, Prepreg	45 days	2019
4	Supplier D[4] . . .	42,930	5.0	CCL, Prepreg	60 days	2019
5	Supplier E[5] . . .	39,713	4.6	Processing chemicals	90 days	2018

Notes:

(1) Supplier A is a private company incorporated in Chinese Mainland, which principally engages in the development, production and sales of precious-metal chemical materials and related electronic materials.

(2) Supplier B is incorporated in Japan and listed on the Tokyo Stock Exchange. It primarily operates through its subsidiaries, engaging in the manufacture and sale of chemical products for the electronics industry, including solder resist and related materials.

(3) Supplier C is a private company incorporated in Japan, which principally engages in the domestic and international trading, sales, import/export and logistic services of plastic materials and related products.

(4) Supplier D is a company incorporated in the South Korea and listed on the Korea Exchange, which principally engages in the manufacture and sale of electronic materials, including CCL and other materials for electronics applications.

(5) Supplier E is a subsidiary of a Nasdaq-listed company, which principally provides specialty chemicals, equipment, software and services for electroplating, printed circuit board manufacturing and surface-finishing applications.

(6) Representing the commencement of the business relationship with the Group after 2019 or with Retained Zhen Ding Group before the establishment of the Company.

Rank	Supplier	Purchase Amount	% of total purchase	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)				
For the year ended December 31, 2024						
1	Supplier A . . .	121,625	10.4	Gold salt	Payable on invoice	2016
2	Supplier F[(1)] . .	83,064	7.1	ABF	30 days	2022
3	Supplier B . . .	79,743	6.8	Ink	90 days	2018
4	Supplier C . . .	74,019	6.3	CCL, Prepreg	45 days	2019
5	Supplier E. . . .	49,766	4.2	Processing chemicals	90 days	2018

Note:

(1) Supplier F is a private company incorporated in Japan, which principally engages in the manufacture and sale of electronic materials, functional chemicals and activated carbon products.

Rank	Supplier	Purchase Amount	% of total purchase	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)				
For the year ended December 31, 2025						
1	Supplier A . . .	282,878	16.6	Gold salt	Payable on invoice	2016
2	Supplier C . . .	124,578	7.3	CCL, Prepreg	45 days	2019
3	Supplier F. . . .	108,664	6.4	ABF	30 days	2022
4	Supplier G[(1)] . .	102,784	6.0	CCL, Prepreg	60 days	2022
5	Supplier B . . .	93,101	5.4	Ink	90 days	2018

Note:

(1) Supplier G is a company incorporated in Japan and listed on the Tokyo Stock Exchange. It primarily operates through its subsidiaries and principally engages in chemical businesses, including semiconductor and electronic materials.

Rank	Supplier	Purchase Amount	% of total purchase	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)				
For the three months ended March 31, 2026						
1	Supplier A . . .	121,414	20.6	Gold salt	Payable on invoice	2016
2	Supplier G . . .	54,306	9.2	CCL, Prepreg	60 days	2022
3	Supplier C . . .	43,559	7.4	CCL, Prepreg	45 days	2019
4	Supplier F. . . .	33,933	5.7	ABF	30 days	2022
5	Supplier B . . .	22,082	3.7	Ink	90 days	2018

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Retained Zhen Ding Group is our customer and also our supplier. In particular, in 2023 and first quarter of 2026, Retained Zhen Ding Group was one of our top five customers. However, sales to and purchase from Retained Zhen Ding Group are of different nature. In 2023, we sold certain products to Retained Zhen Ding Group for onward sale to our end customers, solely because we, as a business unit of Zhen Ding Group at the time, had not yet completed the relevant customer validation process. This arrangement ended later in 2023 after we completed such customer validation. In addition, certain members of Zhen Ding Group possess the relevant licenses and necessary expertise in waste treatment, and we sell waste materials to these entities. See "Connected Transactions — Non-Exempt Continuing Connected Transactions — 7. Scrap and Waste Materials Sales Framework Agreement" for detailed reasons for the transaction. On the other hand, we purchase waste treatment and sewage treatment services from certain members of the Retained Zhen Ding Group that have the relevant licenses and operate in or in close proximity to our manufacturing facilities in Shenzhen and Qinghuangdao. See "Connected Transactions — Fully-Exempt Continuing Connected Transactions — 2. Waste Treatment Services Framework Agreement" and "Connected Transactions — Partially-Exempt Continuing Connected Transactions — Sewage Treatment Services Framework Agreement" for detailed reasons for these transactions. Such intra-group arrangements are not uncommon where one subsidiary within a corporate group provides goods or services to another subsidiary within the same group. In addition to Retained Zhen Ding Group, we maintain similar arrangements with certain third-party waste treatment companies which have overlapping customer and supplier relationship with us, under which we generate revenue from them for scrap material sales and pay them service fees for waste treatment services.

Our Directors confirmed that all of our sales to and purchases from the overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm's-length basis. The revenue from Retained Zhen Ding Group in 2023, 2024, 2025, and three months ended March 31, 2025 and 2026 was RMB279.3 million, RMB1.5 million, RMB69.0 million, RMB0.3 million, and RMB46.8 million, respectively, accounting for 23.6%, 0.1%, 2.4%, 0.1% and 5.1% of our total revenue, respectively, for the same periods. The purchase amount attributable to Retained Zhen Ding Group in 2023, 2024, 2025 and three months ended March 31, 2025 and 2026 was RMB96.8 million, RMB94.6 million, RMB97.4 million, RMB23.3 million, and RMB25.6 million, respectively, accounting for 3.4%, 5.0%, 4.1%, 5.4% and 3.3% of our total purchase amount, respectively, for the same periods.

RECENT REGULATION IN RELATION TO TARIFFS

In April 2025, the United States announced broad tariffs on imports from all countries, comprising a 10% so-called "baseline" tariff on all countries, varying so-called "reciprocal" tariffs on certain trade partners, and a so-called "fentanyl-related" tariff of 20% on goods from Chinese Mainland, Hong Kong and Macau Special Administrative Region. As of early April 2025, the U.S. had imposed tariffs of 145% on most imports from Chinese Mainland, Hong Kong and Macau Special Administrative Region, and Chinese government responded with tariffs of 125% on most goods from the United States. On May 12, 2025, following bilateral negotiations, China and the United States announced a 90-day suspension for most of these higher tariffs levied on each other's goods, during which the U.S. will continue a 30% tariff on Chinese imports and China will keep a 10% tariff on U.S. goods. This suspension was further extended by the two countries for an additional 90 days until November 10, 2025. Following the two countries' trade negotiations on October 30, 2025, the U.S. agreed to suspend for one year a 24% reciprocal tariff on Chinese products and reduce the fentanyl-related tariff on Chinese products by 10%. In addition, China agreed to adjust its counter measures related to the above U.S. tariffs, and the two countries agreed to continue extending certain tariff exemptions. On February 20, 2026, the U.S. Supreme Court held that the International Emergency Economic Power Act does not authorize the President to impose tariffs, including the reciprocal and fentanyl-related tariffs. Effective from February 24, 2026, the U.S. customs authority ceased to collect these tariffs. Meanwhile, President Trump issued a proclamation to impose a temporary import surcharge of 10% on all imports to the U.S. effective from February 24, 2026 for a period of 150 days.

During the Track Record Period, revenue attributable to exports to the United States accounted for less than 1% of our total revenue. Accordingly, changes in U.S. tariff regimes did not cause any direct material adverse impact on our business operations, financial condition or results of operations. However, there can be no assurance that our business will not be adversely affected by future changes in U.S. tariff policies or other geopolitical developments, including potential indirect impacts on our supply chain, customers, or broader market conditions.

BUSINESS ACTIVITIES IN RELATION TO COUNTRIES/REGIONS SUBJECT TO INTERNATIONAL SANCTIONS

Procurement Activities in relation to Procured Items subject to U.S. Export Controls

During the Track Record Period, we procured items subject to the EAR and classified as Export Control Classification Number (ECCN) 3A999.F, 4A994.L, 5D992.C, 6A003, and EAR99 (Procured Components). Provision of EAR-controlled items to sanctioned entities, especially Specially Designated Nationals designated by the Office of Foreign Assets Control ("**SDNs**") or entities listed on the Entity List by the Bureau of Industry and Security, are prohibited.

Procured Components classified as 3A999.F are controlled for anti-terrorism reasons, and regional stability reasons that triggers license requirement if the items are exported, reexported or transferred (in-country) in Iraq and Pakistan (which we are not located in). Procured Components classified as 4A994.L and 5D992.C are controlled for anti-terrorism reasons only. Items controlled for anti-terrorism are subject to license requirement for exports, reexports or transfers (in-country) involving (i) entities designated on the Entity List, Denied Persons List, or Unverified List; and/or (ii) entities headquartered in, ordinarily resident in, or owned or controlled by governments of any Countries/Regions subject to Comprehensive Trade Embargo, as well as Russia and Belarus (collectively, "**AT Sanctioned Countries**"; these entities under (i) and (ii) are collectively referred as "**AT Restrictions Sanctioned Targets**"). Procured Components classified as 6A003 are subject to license requirements for exports,

and our suppliers have obtained the requisite licenses for the sales to us. Procured Components classified as EAR99 are generally low-technology consumer goods that do not require a license in most situations (including our procurement).

As advised by our International Sanctions Legal Advisor, our procurement of these Procured Items during the Track Record Period did not represent a violation of the applicable U.S. export controls, given that (i) we are not AT Restrictions Sanctioned Targets, we do not require a license to procure these Procured Items subject to anti-terrorism restrictions; (ii) none of these Procured Items were supplied to any of the AT Sanctioned Countries, AT Restrictions Sanctioned Targets, Iraq and Pakistan; and (iii) the Procured Item classified as 6A003 has been retained strictly for internal use within our existing facilities and has not been exported, reexported, or transferred (in-country) to any third parties, and our suppliers have obtained the requisite licenses for the sales to us.

Sales Activities in relation to Entities subject to International Sanctions

During the Track Record Period, we have not transacted with any counterparties located in Comprehensively Sanctioned Countries. We have transacted with several customers designated on the Entity List (EL Customers) maintained by the Bureau of Industry and Security. Provision of items subject to the EAR to entities designated on the Entity List is prohibited. As advised by our International Sanctions Legal Advisor, since our transactions with the EL Customers did not involve transfer of any items, technologies or materials that are subject to the EAR, our transactions did not represent a violation of sanction regulations.

INFORMATION SECURITY AND DATA PRIVACY

We recognize that the confidentiality, integrity and availability of our data are essential to our operations. We strictly adhere to evolving data security and privacy laws and regulations, ensuring that our business and transaction data is managed with the highest standards, including Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》).

Data Collection. We primarily collect, process, and store data related to production, manufacturing, and inventory management during our ordinary course of business operations.

Data Transmission. We do not engage in cross-border transmission of users' data. All data from our production bases in the Chinese Mainland is stored domestically in the Chinese Mainland. We do not share or transfer data collected by it to any third party without prior explicit consent. Without explicit consent, we prohibit disclosing collected data to any third party unless mandated by a court or administrative order.

Data Protection

To ensure the protection of our data and maintain the confidentiality of sensitive information, we have implemented security measures designed to prevent unauthorized access and mitigate potential risks: (i) data encryption. We employ advanced encryption technologies to secure sensitive business data both at rest and during transmission, preventing unauthorized access and reducing the risk of data breaches; (ii) access control. Access to our data is strictly regulated, with permissions granted only to authorized employees based on their roles and responsibilities. Sensitive information is accessible only to those with the appropriate clearance, ensuring secure data handling; (iii) physical access control. Entry to our facilities and networks is limited to authorized personnel. Visitors must sign in upon

arrival, and access to secure areas is tightly controlled, requiring prior approval; and (iv) employee training. We provide ongoing data privacy and security training to all employees, ensuring compliance with data protection policies and enhancing awareness of how to securely handle sensitive information.

Information Security Framework

We established internal policies and a series of procedures for effective information and cybersecurity management. Key of these internal policies and procedures include (i) network security, in which we employ firewalls, antivirus software and intrusion detection systems to protect our network infrastructure from external threats, (ii) data protection and privacy, in which we maintain a set of protocols for data handling and storage, including encryption, access controls and regular data backups, (iii) security audits and testing, in which we perform routine vulnerability assessment to evaluate the robustness of our system, (iv) employee training, in which we provide regular training programs to enhance overall security awareness, and (v) disaster recovery plan, in which we develop a disaster plan to ensure recovery of critical IT systems and data. During the Track Record Period, we did not experience any breach of confidential information of customers or any other customer information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. As advised by our PRC Legal Advisor, we complied with the applicable laws and regulations in the PRC in relation to data privacy, cybersecurity and personal data protection during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

We operate in a competitive and technology-intensive industry, where customers demand more advanced and higher-reliability IC substrates. According to Frost & Sullivan, the IC substrate market in Chinese Mainland is relatively concentrated and competitive, with the top three manufacturers accounting for 37.9% of the market in 2025. FCBGA substrates exhibit a higher level of industry concentration, with the top three FCBGA substrate manufacturers in Chinese Mainland collectively accounting for 58.7% of the market share. The global IC substrate market is also relatively concentrated and competitive, with the top three manufacturers accounting for 37.4% of the market in 2025.

We compete with other Chinese Mainland IC substrate manufacturers mainly on technology and process requirements and technical experiences. We compete in the international market mainly based on our scale-up capability, technology and process requirements, customer qualification and relationships, supply chain management, experienced technical and management teams and intelligent manufacturing capabilities. See "Industry Overview" for more details.

BUSINESS SUSTAINABILITY AND PROFITABILITY

We operate in a rapidly growing AI market where the production capacity often limits the growth potential of a company in the supply chain. Against this backdrop, we strategically anticipated the future needs for capacity, and incorporated substantial capacity expansion headroom in our initial plant design, coupled with a phased equipment installation approach to quickly ramp-up our capacity when our actual orders grow. Due to this strategy, we incurred substantial upfront capital expenditure and thus depreciation expenses while our revenue was still relatively small. This resulted in a gross loss of RMB504.5 million in 2023, and RMB105.5 million in 2024, and net losses of RMB753.1 million, RMB405.1 million and RMB328.7 million in 2023, 2024 and 2025, respectively.

This strategy contributed to our success in grasping the opportunity of AI market growth during the Track Record Period. Our total revenue increased rapidly from RMB1,182.9 million in 2023 to RMB2,055.5 million in 2024 and RMB2,828.6 million in 2025, representing a CAGR of 54.6%. Our revenue increased to RMB923.9 million in the three months ended March 31, 2026, representing a

70.9% growth from the same period in 2025. Revenue from products for AI and HPC applications surged from RMB26.9 million in 2023 to RMB716.2 million in 2025, representing a CAGR of 416.1%. Given the substantial lead time for constructing new production plants, this upfront investment strategy gave us substantial competitive advantage against our major competitors. According to Frost & Sullivan, measured by 2025 revenue, we ranked third among IC substrate manufacturers located in Chinese Mainland, up from sixth in 2023. Among the top 20 global IC substrate suppliers by IC substrate revenue in 2025, we ranked first in terms of revenue CAGR from 2023 to 2025.

As our capacity utilization improved over time, we achieved a clear inflection point, turning to gross profit of RMB100.1 million in 2025, and we had net profit of RMB50.1 million for the three months ended March 31, 2026. We expect to continue to benefit from our substantial upfront capital expenditures to achieve sustainable growth with positive gross margin.

Investing for AI Opportunities

To implement our expansion strategy, we made significant upfront investments and continuous investment in production plants construction, production equipment as well as intelligent manufacturing systems, which have laid a solid foundation for improving product quality and enabled us to accumulate extensive experience in scaling up capacity. As such, we incurred substantial capital expenditures upfront and thus depreciation before the Track Record Period. As of January 1, 2023, the cost of our property, plant and equipment, right-of-use assets and intangible assets was RMB5,466.1 million. As of December 31, 2023, 2024, 2025 and March 31, 2026, such figure further increased to RMB7,463.3 million, RMB8,421.5 million, RMB8,696.2 million, RMB8,775.1 million, respectively. Our depreciation and amortization included in cost of sales was RMB422.5 million, RMB591.4 million, RMB651.3 million, RMB155.5 million and RMB183.5 million in 2023, 2024, 2025 and three months ended March 31, 2025 and 2026, respectively. We expect to continue making substantial investments in capital expenditures to capture future growth of the AI market.

Driving Revenue Growth with Positive Gross Margin

Our revenue grew rapidly from RMB1,182.9 million in 2023 to RMB2,055.5 million in 2024 and RMB2,828.6 million in 2025. Our revenue also increased to RMB923.9 million in the three months ended March 31, 2026, representing a 70.9% growth from the same period in 2025. Alongside this growth, we achieved economy of scale as our revenue grew rapidly from 2023 to 2025. Our cost of sales as a percentage of revenue declined significantly from 142.7% in 2023 to 105.1% in 2024 and further to 96.5% in 2025. In particular, depreciation and amortization under cost of sales as a percentage of revenue declined significantly from 35.7% in 2023 to 28.8% in 2024 and further to 23.0% in 2025. These changes drove our gross margin improvement from –42.7% in 2023 to –5.1% in 2024 and turned positive at 3.5% in 2025. This improvement further accelerated in 2026, with gross profit reaching RMB146.6 million and gross margin improving to 15.9% for the three months ended March 31, 2026.

Enhancing Operational Efficiency and Leveraging Economies of Scale

Our growth of revenue also enhanced our operating efficiency. As a percentage of revenue, our selling and marketing expenses decreased from 1.8% in 2023 to 1.5% in 2024, 1.0% in 2025 and 0.7% in the three months ended March 31, 2026; our general and administrative expenses decreased from 8.0% in 2023 to 4.8% in 2024, 3.7% in 2025 and further to 2.6% in the three months ended March 31, 2026; and our research and development expenses decreased from 10.4% in 2023 to 7.5% in 2024, 5.5% in 2025 and 4.2% in the three months ended March 31, 2026. This, together with improved gross margin, drove a substantial narrowing of net loss margin from 63.7% in 2023 to 11.6% in 2025. This improving trend culminated in a turnaround to net profitability in the three months ended March 31, 2026, marking a key inflection point in our path to profitability.

Based on the foregoing, our Directors are of the view that, notwithstanding our historical losses during the Track Record Period, our Group has a sustainable business growth and we are able to operate at profit. The foregoing forward-looking statements are based on assumptions regarding our present and future business strategies and the market environment in which we operate. These forward-looking statements are subject to risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. See "Forward-looking Statements" for more details on related risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We believe that environmental, social and governance (ESG) considerations are essential to our long-term sustainable development. We are committed to fostering sustainable practices, promoting social responsibility and maintaining sound governance standards. We continuously strive to strengthen our ESG governance framework, enhance our ESG practices and performance and contribute positively to community and societal well-being through various ESG initiatives.

To align with the goal of carbon neutrality by 2050 and the global emphasis on green, low-carbon and sustainable development, we aim to embed the principles of green manufacturing across the lifecycle of our operations, from research and development, production and manufacturing to daily management. Guided by our corporate mission "develop technologies for the betterment of Human beings; protect the environment for a greener earth." we intend to make continuous investments in environmental management, energy and low-carbon management and energy conservation and carbon reduction initiatives.

ESG Governance Structure

We have integrated ESG considerations into our overall strategy, long-term planning, key decision-making processes and daily operations. Our ESG governance framework comprises the Board, the Audit Committee and the sustainability working group. The Board holds ultimate responsibility, oversees the framework, reviews sustainability reports, and sets, approves, and reviews our ESG vision, policies, and goals.

When determining key ESG matters, our Board considers applicable laws, regulations and internationally recognized standards, including the ESG Reporting Code under the Listing Rules, the United Nations Sustainable Development Goals, guidelines from the Global Reporting Initiative and standards established by the Sustainability Accounting Standards Board. The Board oversees material topics including resource use, pollution control, and supply chain due diligence, integrating them into our strategy and operational management. Under the supervision of the Board, the sustainability working group formulates and promotes sustainable development policies, monitors ESG performance, supervises ESG disclosures and promotes adherence to best practices.

ESG Risk Management

We recognize the significance of ESG matters to our business strategy, financial performance and operations. We have established an ESG risk management framework to systematically identify, assess and mitigate ESG-related risks and opportunities arising from evolving social trends, regulatory changes and market dynamics. Key ESG-related risks include increasingly stringent environmental and hazardous substance regulations, such as RoHS 2.0, REACH and California Proposition 65, which may increase compliance costs and drive innovation.

To mitigate these risks, we systematically monitor relevant international and local regulations, as well as customer environmental protection requirements, and incorporate them into our external document management system for comprehensive evaluation and integration. This enables prompt responses, strengthens compliance, and reduces non-compliance risks.

We have established clear and effective communication channels to engage stakeholders, including employees, customers, suppliers, regulatory authorities and society, through both digital and traditional methods. Based on our business context and stakeholder concerns, we have identified and addressed material ESG topics, including climate change mitigation, water reduction, waste reduction, workforce well-being, supply chain sustainability and community engagement. During the Track Record Period, we were not aware of any material ESG-related non-compliance cases.

Climate-related Risks and Transition Plan Management

We have identified and assessed various climate-related risks that may affect our business operations, including extreme heat, drought, heavy rainfall and flooding. We actively monitor meteorological alerts and implement targeted emergency actions based on alert levels to safeguard personnel and maintain business continuity. In assessing climate-related risks, we consider existing and emerging regulations, technological developments, market conditions, compliance requirements, reputational matters and immediate and long-term physical risks.

Extreme heat and drought may increase operating costs and potentially result in suspension of operations. Upon receiving weather alerts, we promptly notify relevant departments to prepare for potential heat-related emergencies, and increase equipment inspections to ensure safe operation.

With regard to climate-related transition risks, we plan to conduct a focused scenario analysis on the financial implications of carbon pricing. This assessment is critical for integrating climate considerations into our long-term strategic decision-making. Leveraging scenarios from the Network for Greening the Financial System, specifically the ''Nationally Determined Contributions'' and ''Net Zero 2050'' pathways, we modeled the potential financial impacts on our operations.

Our climate transition plan is designed to decarbonize our operations, enhance climate resilience and drive long-term sustainable growth. We have implemented an internal carbon pricing mechanism as part of our investment appraisal process. Our key transition initiatives include promoting energy-saving technologies, expanding our renewable energy portfolio, developing advanced waste reduction technologies with a target of achieving 100% recycling of valuable metals, having achieved a wastewater recycling rate of over 50% in 2025, enhancing climate resilience measures and collaborating with suppliers on environmental protection projects.

Environmental Indicators and Management

We integrate environmental management across our corporate strategy, operations, and governance. We have not been subject to any material penalties for environmental violations during the Track Record Period.

Emissions

We effectively manage exhaust gases, wastewater, and solid waste by investing in pollution prevention and focusing on source control. For air quality, we use non-ozone-depleting refrigerants. We reduce wastewater through multi-stage rinsing and pre-treated on-site prior to discharge. All solid waste is carefully classified and stored in secure, compliant facilities to prevent contamination and ensure safe handling. The following table sets forth a breakdown of our exhaust gas emissions during the Track Record Period[1]:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Nitrogen oxides (NOx) emissions *(kg)*	1.53	1.15	1.05	0.32
Sulfur oxides (SOx) emissions *(kg)*	0.14	0.20	0.17	0.04
PM[(1)] emissions *(kg)*	0.13	0.09	0.08	0.03

Note:

(1) PM means particulate matter, which refers to tiny solid or liquid particles suspended in air.

As part of our commitment to reduce environmental impact, our greenhouse gas (GHG) management policies are aligned with our business operations and all relevant laws and regulations. The following table sets forth a breakdown of our Scope 1 and Scope 2 emissions during the Track Record Period:

	Year ended December 31,			Three months ended March 31
	2023	2024	2025	2026
Scope 1 GHG Emissions *(tCO_2e)*[(1)]	10,521.99	12,160.95	13,360.90	5,095.51
Scope 2 GHG Emissions *(tCO_2e)*[(2)]	123,510.38	107,961.27	117,200.69	32,151.53
Scope 1+2 Total GHG Emissions *(tCO_2e)*	134,032.37	120,122.21	130,561.59	37,247.03
Scope 1+2 Total GHG Emission Intensity *(tCO_2e/RMB million revenue)*	113.31	58.44	46.15	40.40

Notes:

(1) tCO_2e refers to tonnes of carbon dioxide equivalent and is the standard unit for measuring carbon footprint.

(1) Scope 1 GHG Emissions are calculated based on the emission factors in the "Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEx and the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by DEFRA in the UK. The global warming potential is referred to in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

(2) Scope 2 GHG Emissions are indirect GHG emissions from the consumption of purchased electricity by the Company. The emission factors for the Chinese Mainland-based operations referenced from the Ministry of Ecology and Environment of the People's Republic of China and the International Energy Agency for locations outside Hong Kong and Chinese Mainland.

[1] Exhaust gas emissions are generated from the consumption of liquefied petroleum gas and diesel fuel. The emission factors adopted are based on "Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEx.

Based on our assessment of our growth stage and surrounding environmental conditions, we have adopted greenhouse gas reduction strategies focused on reducing greenhouse gas emissions and lowering energy usage, with goals to be met by 2050. Our strategies include implementing technologies such as total heat recovery chillers, magnetic levitation blowers, permanent magnet motors, compressed air heat recovery, efficient wire cutting machines, chemical reuse, and harmonic motor testing.

For Scope 3 emissions, we are in the process of further studying and performing comprehensive calculations to provide more accurate and meaningful data in the future.

Resource Consumption

Our primary operational resources include energy, water and packaging materials. We actively work to conserve energy and reduce resource consumption. The following table sets forth a breakdown of our energy consumption during the Track Record Period:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Electricity Consumption *(gigajoule)*	576,010.66	662,798.47	752,909.01	194,673.07
Heating Consumption *(gigajoule)*	42,290.11	48,051.86	49,096.51	32,023.57
Petrol Consumption *(gigajoule)*	256.82	410.17	345.63	80.75
Diesel Consumption *(gigajoule)*	37.23	35.87	6.95	3.98
Natural Gas Consumption *(gigajoule)*	172,144.33	177,400.88	199,190.05	55,987.21
Total Energy Consumption[(1)] *(gigajoule/RMB million revenue)*	790,739.16	888,697.25	1,001,548.15	282,768.57
Total Energy Consumption Intensity	668.50	432.35	345.63	306.70

Note:

(1) Energy consumption from fossil fuels in the use of stationary combustion sources and vehicles is calculated with reference to "Appendix C2: Environmental, Social and Governance Reporting Code" published by the HKEx.

Our Shenzhen and Qinhuangdao production bases have implemented and obtained ISO 14001 Environmental Management System certification. We have installed magnetic bearing chillers and air return systems for fan filter units, and we capture and reuse heat from industrial air compressors and boiler exhaust gas. We have also implemented an intelligent technology system for dynamic energy consumption data collection and real-time monitoring, which is integrated with our Energy Management Platform to continuously track electricity usage of high-energy-consuming equipment.

Water Resource Management

We prioritize practical water resource management in our daily operations. We focus on reducing water consumption through targeted improvements in production processes, including optimizing equipment, refining cleaning procedures and harvesting rainwater to minimize water use. Our wastewater treatment systems in Shenzhen production plant have been enhanced to aim at 50% wastewater reuse rates.

To monitor wastewater, we employ an online monitoring system and upload real-time data to the National Emission Platform for traceability. We also conduct weekly analyses to identify anomalies and monitor trend fluctuations. We have deployed six wastewater treatment units and achieved a 100% compliance rate for pollutant concentration levels. The following table sets forth our water resource usage performance during the Track Record Period:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Water Consumption *(m^3)*	1,782,248.39	2,297,207.83	2,568,071.53	664,958.94
Water Intensity *(m^3/RMB million revenue)*	1,506.73	1,117.58	907.84	721.24

Waste Management

We prioritize waste minimization, resource recovery and safe disposal by integrating sustainable principles into our design, procurement and production practices to reduce raw material use and prevent waste generation. Our solid waste system manages recyclable and non-recyclable industrial waste, hazardous waste and household waste.

We have policies for abnormal situations and refer to the "Procedure for Corrective and Preventive Action Management" and related regulations in handling emergencies such as leakage of hazardous chemical waste. Our tiered recycling approach emphasizes on-site material reuse, internal recycling, and collaboration with suppliers and partners to maximize recovery. Non-recyclable waste is handled by qualified providers for safe disposal, including energy recovery when appropriate. Annual training, real-time tracking and regular audits ensure effective waste management oversight.

The following table sets forth our waste management performance during the Track Record Period:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Hazardous Waste *(tonnes)*	22,401.23	48,215.84	55,454.10	17,318.09
Hazardous Waste Intensity *(tonnes/RMB million revenue)*	18.94	23.46	19.60	18.78
Non-Hazardous Waste *(tonnes)*	782.44	1,054.44	1,366.88	464.66
Non-Hazardous Waste Intensity *(tonnes/RMB million revenue)*	0.66	0.51	0.48	0.50
Packaging Materials *(tonnes)*	206.13	383.97	469.55	192.51

Social Responsibility

Employment, Training and Employee Welfare

We comply with applicable employment laws and regulations in the jurisdictions where we operate, including the Labor Law of the PRC, the Employment Contract Law of the PRC, the Social Insurance Law of the PRC and the Provisions on the Prohibition of Using Child Labor. We have established internal management systems to protect employees' lawful rights and maintain a zero-tolerance policy toward child labor, discrimination, harassment and forced labor across our operations.

We implement a merit-based and inclusive hiring process to ensure equal employment opportunities and support employees in pursuing careers suited to their skills and aspirations. During the Track Record Period, we were not aware of any material non-compliance with laws and regulations relating to child or forced labor.

The following table sets forth selected employee data during the Track Record Period:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
By Gender:				
Male	2,244	2,452	2,585	2,892
Female	1,125	1,209	1,356	1,429
By Region:				
Chinese Mainland	3,315	3,610	3,891	4,270
Offshore	54	51	50	51

We are committed to the professional development of our employees and to equipping them with the skills and knowledge necessary to perform their roles and adapt to a changing technological landscape. During the Track Record Period, we offered professional development courses in collaboration with internal experts and external specialists on topics including industry analysis, human rights protection, leadership programs for mid-to-senior management, AI course series, high-level planning for digital transformation and performance management. We also delivered in-person training courses and offered online courses, through which employees were encouraged to engage in voluntary self-paced learning.

We believe a supportive, inclusive workplace boosts productivity and employee development. We have established employee cafeterias, recreational facilities, etc. We also have a multi-faceted communication platform, which comprises employee service mailboxes, suggestion boxes, and a rights protection hotline, allowing employees to express their needs and concerns freely, thereby enabling us to better address them.

Occupational Health and Safety

We are committed to maintaining a safe and healthy working environment for our employees and contractors, complying with relevant laws and regulations, including the Law of the PRC on the Prevention and Control of Occupational Diseases, the Provisions on the Administration of Occupational Health at Workplaces and other relevant workplace health and safety requirements. We have implemented the ISO 45001:2018 Occupational Health and Safety Management System across our campuses, which provides a framework for continuous improvement in safety performance and regulatory compliance.

To reduce occupational health and safety risks in our operations, we have upgraded factories with robotics and automation, such as automated guided vehicles and robotic arms in high-risk processes, and established specialized safety teams at each manufacturing campus overseen by administrators. During the Track Record Period, we were not aware of any material accidents relating to our operations.

Supply Chain Management

Our supply chain is important for efficient operations and product quality that meet our standards. We have established a comprehensive supply chain management system overseen by a dedicated supplier management department under Board supervision. We monitor supplier integrity, quality, delivery, technical support and pricing by implementing our sunshine policy and other internal frameworks, including Supplier Social Responsibility Management Regulations and Supplier Conflict Minerals Management Regulations. Suppliers are also required to comply with international standards such as the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact and the Universal Declaration of Human Rights.

Anti-bribery and Anti-Corruption

We maintain a zero-tolerance policy toward all forms of corruption and strictly comply with applicable anti-corruption laws and regulations. All employees are expected to acknowledge and commit to the Integrity and Honesty Clause upon joining our Group, and any breach will be handled in accordance with applicable laws and regulations. We also maintain codes of conduct and anti-corruption policies for employees and business partners, which strictly prohibit bribery, kickbacks, excessive gifts or hospitality and other improper payments made or offered to secure an improper business advantage.

We provide onboarding and ongoing anti-corruption training to enhance employees' legal awareness and ethical standards. In 2025, all employees received anti-corruption training, accumulating a total of 1,561 training hours. We also enforce internal controls for integrity and transparency, including conflict of interest declarations managed by the human resources department, supplier vetting by the purchasing department and verification of reported cases and material requisitions by the economic management unit. We require accurate books and records and strictly prohibit false invoices, unusual or insufficiently explained payments, and misleading, incomplete or false entries.

We have established a confidential whistleblowing system for reporting corruption-related incidents. Employees may submit reports through a dedicated hotline or the President's mailbox. The audit department is responsible for the initial assessment of reports, and where a formal investigation is warranted, a multidisciplinary investigation team comprising members from Legal, Human Resources, Audit and other relevant departments will conduct the investigation and determine the necessary actions.

EMPLOYEE

As of the Latest Practicable Date, we had a total of 4,568 full-time employees. Most of our employees are based in the Chinese Mainland during the Track Record Period and up to the Latest Practicable Date. The table sets forth a breakdown of our employees by function as of the Latest Practicable Date.

Function	Number	Percentage of Total Number
R&D	626	13.7%
Sales and marketing	74	1.6%
Production	3,664	80.2%
Administrative	204	4.5%
Total	**4,568**	**100.0%**

We enter into standard employment agreements with our employees to cover matters regarding confidentiality, intellectual property, employment, commercial ethics and noncompetition, in particular, the noncompetition provision effective during and after their employment with us.

We highly value the potential of our employees and have invested substantial efforts and resources in recruiting and training our employees. In addition to regular recruitment program through specialized recruiting firms and other third-parties, we have also implemented internal referrals policy to attract potential talents to join us. In light of the long-term benefits of talent cultivation, we provide internal training programs to our employees periodically to enhance their technical know-how and solidify their knowledge and expertise for the industry.

During the Track Record Period, we engaged certain dispatched workers for temporary, ancillary or substitute positions. As of the Latest Practicable Date, we hired 16 dispatched contract workers. Pursuant to the Labor Contract Law and its amendments, dispatched workers may only be engaged for temporary, ancillary or substitute positions. The Interim Provisions on Labor Dispatch, which became effective on March 1, 2014, further provides that the number of dispatched workers an employer may use must not exceed 10% of its total labor force. During the Track Record Period, the number of dispatched workers we engaged did not exceed 10% of our total labor force.

As required by laws and regulations in China, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans, and housing provident funds. As of the Latest Practicable Date, we did not make adequate contribution to social insurance and housing provident fund for certain employees as required by relevant PRC laws and regulations. The shortfall of social insurance contributions amounted to RMB7.3 million, RMB8.9 million, RMB10.5 million and RMB1.9 million in 2023, 2024 and 2025, and the three months ended March 31, 2026. The shortfall of housing provident fund contributions amounted to RMB0.6 million, RMB0.4 million, RMB0.2 million and RMB0.05 million in 2023, 2024 and 2025, and the three months ended March 31, 2026. As of the Latest Practicable Date, we had not been ordered by the competent authorities to rectify, or had been subject to any administrative penalties in connection with failure to make full contributions to social insurance premiums and housing provident fund contributions for employees, and there were no material disputes between us and our employees in relation to social insurance and housing provident funds. In addition, we have rectified the underpayment of social insurance premiums for our employees and will rectify the underpayment of housing provident fund contributions for our employees in due course in accordance with the applicable compliance requirements. Accordingly, as advised by our PRC Legal Advisor, the likelihood that we would be subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions is remote. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds or other PRC labor related regulations may subject us to fines and other legal or administrative sanctions." for more details.

We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We maintain insurance coverage over our daily operations. Our insurance policies primarily include credit insurance, employee-related insurance, property all risk insurance, product liability insurance, production safety liability insurance, and transit insurance. We review our insurance policies

timely to ensure their compliance with the statutory PRC laws and regulations. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in the countries where we operate.

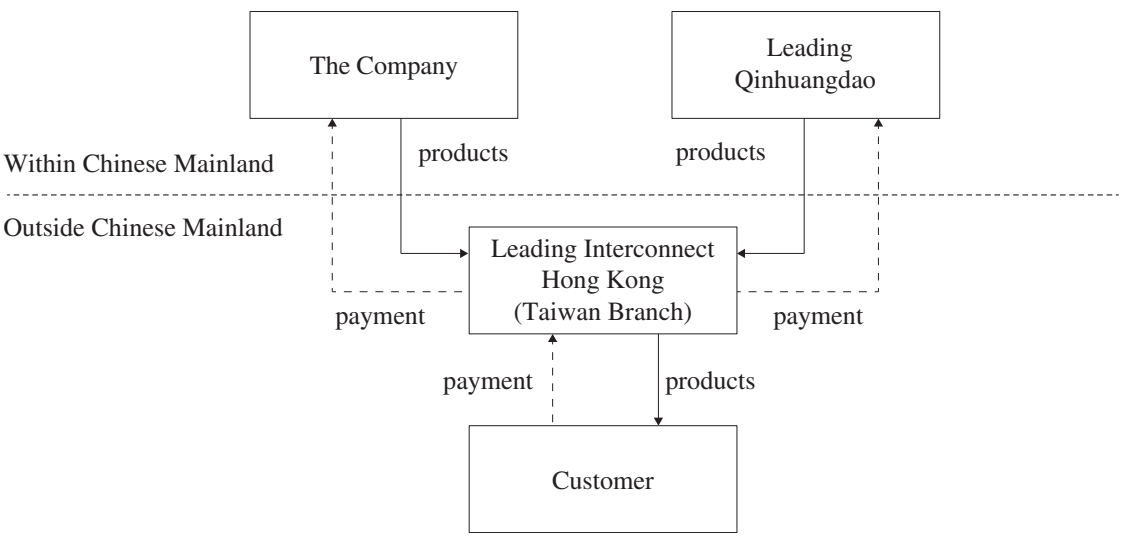
During the Track Record Period, we were not subject to any material insurance claim. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage.

INTRA-GROUP TRANSACTIONS

Overview

During the Track Record Period, in the ordinary course of business, we engaged in certain cross border intra-group transactions among our entities in the Chinese Mainland and Chinese Taiwan. In 2023, 2024, 2025 and three months ended March 31, 2026, the amounts of intra-group transactions were RMB634.3 million, RMB1,317.6 million, RMB1,450.3 million and RMB472.1 million, respectively. Such transactions involved cross-border intra-group sales of IC substrates from our manufacturing entities in Chinese Mainland to Leading Taiwan, which resold such products to third-party customers and retained a reasonable gross margin to cover its operating and selling expenses.

The income tax rate of the entities in Chinese Mainland is 25%. The Company was eligible for preferential tax policies applicable for the qualification of High and New Technology Enterprises and was entitled to an income tax rate of 15% for the year ended December 31, 2025 and three months ended March 31, 2026. Leading Qinhuangdao was eligible for preferential tax policies applicable for the qualification of High and New Technology Enterprises and was entitled to income tax rate of 15% for the years ended December 2024 and 2025, and the three months ended March 31, 2026. The income tax rate of Leading Taiwan is 20%. The Company and Leading Qinhuangdao are manufacturing entities in the Chinese Mainland, while Leading Taiwan serves a distribution function. The following chart illustrates our cross-border intra-group transactions.



Transfer Pricing Assessment

We have engaged Transfer Pricing Consultant to conduct a review of our intra-group transactions during the Track Record Period, which include (i) cross-border intra-group sales of IC substrates from the Company and Leading Qinhuangdao to Leading Taiwan, which in turn resold such products to third-party customers and retained a reasonable gross margin to cover its operating and selling expenses, with pricing determined to allow Leading Taiwan to retain such margin; (ii) sales of IC substrates between

our manufacturing entities in the Chinese Mainland without a margin due to reasons such as customer designation; (iii) transfers of fixed assets, which were generally priced with reference to the net book value of the relevant fixed assets; and (iv) inter-company financing, with interest rates generally determined with reference to those applicable to similar financing arrangements during the same period.

The Transfer Pricing Consultant followed the guidelines set forth by the Organization for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines (OECD Transfer Pricing Guidelines), which are generally consistent with the tax laws of the jurisdictions involved in our intra-group transactions. According to the OECD Transfer Pricing Guidelines, the intra-group transactions should be on an arm's length basis to avoid distorted taxable income in different jurisdictions.

The Transfer Pricing Consultant reviewed the cross-border intra-group sales of IC substrates from our manufacturing entities in Chinese Mainland to Leading Taiwan during the Track Record Period, and performed functional and risk analysis, benchmarking analysis and special factor analysis.

The Transfer Pricing Consultant is of the view that the above-mentioned related-party transactions was generally consistent with the arm's length principle and applicable transfer pricing regulations in Chinese Mainland and Chinese Taiwan, and there should be no material transfer pricing adjustment in the Track Record Period.

PROPERTIES

Owned Properties

Land

As of the Latest Practicable Date, we owned and occupied the land use rights of three land parcels in Shenzhen and Qinhuangdao, Chinese Mainland, with an aggregate site area of approximately 122,970.5 sq. m., which were mainly used for industrial facilities and warehouses. As of the Latest Practicable Date, we had obtained all land use rights certificates for all land parcels we owned and occupied.

Buildings or Units

As of the Latest Practicable Date, we owned eight buildings or units in Shenzhen and Qinhuangdao, Chinese Mainland, with an aggregate gross floor area of approximately 259,875.9 sq. m., which were mainly used for industrial facilities, warehouses and offices. As of the Latest Practicable Date, we had obtained all building ownership certificates for all buildings we owned.

Lease Properties

As of the Latest Practicable Date, we leased nine properties, in Shenzhen and Qinhuangdao, Chinese Mainland, with an aggregate leased area of approximately 48,748.2 sq. m., which was mainly used for our production facilities, employee dormitories and office. The leased area of our employee dormitories is determined on a monthly basis according to the actual number of rooms occupied and is therefore not included in the aggregate area above. As of the Latest Practicable Date, we also leased one property in Chinese Taiwan, with an aggregate leased area of approximately 611.6 sq. m., which was used for our office.

Absence of Valid Title Certificates From Lessors

As of the Latest Practicable Date, we had not received the relevant real estate ownership certificates or authorization documents from the lessors in respect of three out of the nine properties leased by us in Chinese Mainland under lease agreements with the lessors for employee dormitory. Accordingly, we cannot assure you that such lessors have the right to lease such premises to us. As advised by our PRC Legal Advisor, the leased properties described above are used solely as employee dormitories and are not used for any production or research and development activities. As such, they are relatively replaceable. In addition, we have not received any notice requiring us to cease using such leased properties as of the Latest Practicable Date. Our PRC Legal Advisor is of the view that the absence of the lessors' title certificates will not materially and adversely affect our operations. We did not experience material difficulties in negotiating renewal of our leases with our lessors during the Track Record Period and up to the Latest Practicable Date. We believe that there is sufficient supply of properties for employee dormitory in Chinese Mainland and other jurisdictions where we operate.

Non-registration of Lease Agreements

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed lease registration in respect of seven of nine leased properties in the Chinese Mainland for employee dormitories and office. As advised by our PRC Legal Advisor, the absence of registrations will not affect the validity of the lease agreements, nor affect the our lawful and valid use of the leased properties under the relevant provisions thereof and nor materially and adversely affect our operations.

See "Risk Factors — Risks Relating to Our Business and Industry — Failure to renew our leases, to obtain proper ownership certificates from the lessor, or to comply with PRC property-related laws and regulations regarding certain of our properties and leased properties could adversely affect our business, financial condition and results of operations." for more details about absence of valid title certificates from lessors and non-registration of lease agreements.

Property Valuation

Except for the property interest described in the valuation report prepared by Cushman & Wakefield, our Group has no other owned single property interest that forms part of our non-property activities that has a carrying amount of 15% or more of the total assets pursuant to Rule 5.01B(2)(b) of the Listing Rules. See "Appendix III — Property Valuation Report" for more details of property valuation report.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in the Chinese Mainland, Hong Kong and Chinese Taiwan. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuingly overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

The following table sets forth certain material licenses, approvals and permits:

No.	Certificate Holder	Certificate/Permit Name	Date of Issue	Valid Date	Issuing Authority
1	Issuer	AEO Advanced Certified Enterprise Certificate	January 31, 2024	Long-term	Shenzhen Customs of the People's Republic of China
2	Issuer	Radiation Safety Permit	June 11, 2026	August 11, 2027	Shenzhen Municipal Ecology and Environment Bureau
3	Issuer	High and New Technology Enterprise Certificate	December 25, 2025	December 25, 2028	Shenzhen Municipal Industry and Information Technology Bureau, Shenzhen Municipal Finance Bureau, and Shenzhen Tax Service, State Taxation Administration
4	Issuer	Pollutant Discharge Permit	July 10, 2025	July 9, 2030	Bao'an Administration of Shenzhen Municipal Ecology and Environment Bureau
5	Issuer	Urban Drainage Permit	October 21, 2022	October 20, 2027	Bao'an District Water Affairs Bureau of Shenzhen Municipality
6	Qinhuangdao Subsidiary . . .	AEO Advanced Certified Enterprise Certificate	September 8, 2023	Long-term	Shijiazhuang Customs of the People's Republic of China
7	Qinhuangdao Subsidiary . . .	Radiation Safety Permit	October 18, 2023	October 17, 2028	Qinhuangdao Municipal Ecology and Environment Bureau
8	Qinhuangdao Subsidiary . . .	High and New Technology Enterprise Certificate	November 11, 2024	November 11, 2027	Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Tax Service, State Taxation Administration
9	Qinhuangdao Subsidiary . . .	Pollutant Discharge Permit	December 14, 2023	December 13, 2028	Qinhuangdao Administrative Approval Bureau

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date.

Award/Recognition	Award Year	Awarding Institution/Authority
High and New Technology Enterprise	2025	Industry and Information Technology Bureau of Shenzhen Municipality, Finance Bureau of Shenzhen Municipality, and State Taxation Administration
2025 Unicorn Enterprises	2025	Beijing Greatwall Enterprise Institute
Top 100 Shenzhen Industry Leader Enterprises — No.28	2025	Shenzhen Federation of Industry and Commerce, and Shenzhen Press Group
Shenzhen Green Factory	2025	Industry and Information Technology Bureau of Shenzhen Municipality
Hebei Province Advanced-Level Smart Factory	2025	Hebei Provincial Department of Industry and Information Technology
Specialized, Sophisticated, Distinctive and Innovative Small and Medium-sized Enterprise	2024	Shenzhen Small and Medium-sized Enterprises Service Bureau
2024 High and New Technology Enterprise	2024	Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, Hebei Provincial Tax Service of the State Taxation Administration, and Hebei Provincial Local Taxation Bureau
Hebei Province Single Champion Product — IC Substrates	2021	Hebei Provincial Department of Industry and Information Technology

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

During the Track Record Period and up to the Latest Practicable Date, we had not been 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, results of operations and financial conditions.

According to our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

INTERNAL CONTROL AND RISK MANAGEMENT

We have in place a robust risk management and internal control system. We have adopted and continually improve our internal control mechanisms, consisting of policies and procedures tailored to our business operations, to safeguard our business operations and assets at all times. Our Board is collectively responsible for establishing and implementing such risk management mechanisms and overseeing our overall risk management.

Financial Reporting Risk Management

To manage financial reporting risks effectively, we have adopted comprehensive accounting policies covering financial management, budget management, and financial statement preparation. These policies are supported by established procedures, with our finance department regularly reviewing management accounts in accordance with these procedures. We will establish an Audit Committee to review and supervise our financial reporting process and internal control system.

Compliance Risk Management

We have established sound compliance risk management procedures to achieve effective identification and management of compliance risk, and ensure that our operations are in compliance with applicable laws and regulations. In accordance with such procedures, our legal team carefully reviews the contracts we enter into with customers, suppliers and business partners. Our legal team is also responsible for obtaining any requisite governmental permits, approvals or consents. In addition, we continually monitor changes in relevant laws and regulations as well as the regulatory environment to ensure compliance in our business operations.

Intellectual Property Risk Management

We recognize the importance of protecting our IP to maintain our competitive advantage and mitigate potential risks. To ensure robust protection, we have implemented a comprehensive IP management system, supported by clear policies and proactive measures, including setting management objectives, defining responsibilities across departments, planning and monitoring IP-related targets, and implementing compliance management and performance evaluation mechanisms.

Human Resources Risk Management

We have established comprehensive internal control and risk management policies for human resources, covering recruitment, training, work ethics and legal compliance. Our recruitment process helps ensure the quality of new hires. We also provide regular and specialized training tailored for our employees in different departments. These trainings help ensure that our employees' skill sets remain up-to-date and enable them to discover and meet our customers' needs. We conduct regular performance reviews and align their compensation with performance outcomes. In addition, we closely monitor the implementation of our internal risk management policies, aiming to promptly identify and address any potential noncompliance with our code of conduct, ethical standards or internal policies.

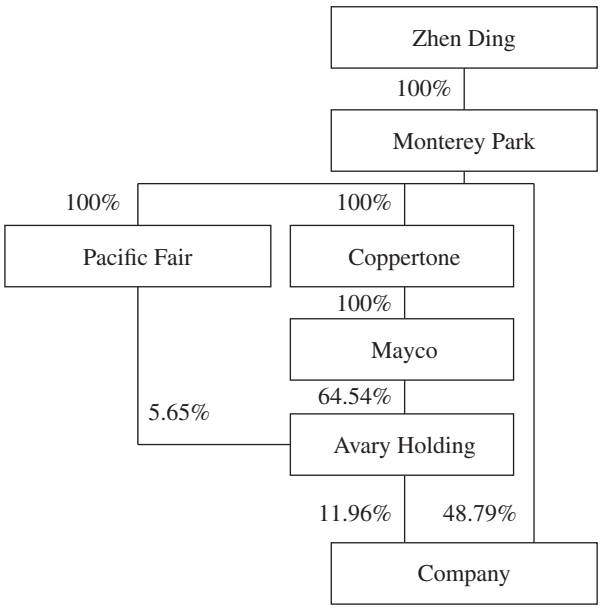
Anti-corruption Risk Management

We uphold business ethics and integrity through comprehensive policies, including the anti-bribery code of conduct. We maintain a whistleblower mechanism for anonymous reporting, with oversight by the internal audit department. All reports will be investigated per an approved plan, with findings documented and submitted to relevant management. The internal audit department ensures strict confidentiality for whistleblowers. In addition, we require our business partners to sign the code of business conduct for business partners or other integrity agreement as part of the onboarding process.

As of the Latest Practicable Date, we have not been involved in legal proceedings related to corruption, bribery, or fraud.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Zhen Ding, through its subsidiaries, namely, Monterey Park, Coppertone, Mayco, Pacific Fair and Avary Holding, directly and indirectly controlled 60.75% of the total issued share capital of our Company. The following simplified structure chart illustrates the shareholding of Zhen Ding in our Company as of the Latest Practicable Date.



Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Zhen Ding, through its subsidiaries, namely, Monterey Park, Coppertone, Mayco, Pacific Fair and Avary Holding, will directly and indirectly control [REDACTED] of the total issued share capital of our Company. Accordingly, Zhen Ding, Monterey Park, Coppertone, Mayco, Pacific Fair and Avary Holding constitute our group of Controlling Shareholders.

Zhen Ding, together with its subsidiaries, is the world's leading manufacturer specializing in the design, development, manufacturing, and sales of printed circuit board and IC substrates, which are widely adopted in servers and storage devices, wearable devices, communications, tablet computers, automotive electronics, internet communications, personal computers, and various consumer electronic products. The development, production and sales of printed circuit board products and related services are carried out by Avary Group and Boardtek Electronics Corporation, a subsidiary of Zhen Ding, while the development, production and sales of IC substrates and related services are carried out by our Group. See "— Business Delineation between the Retained Zhen Ding Group" for more details.

Each of Monterey Park, Coppertone, Mayco and Pacific Fair is an investment holding company.

BUSINESS DELINEATION BETWEEN THE RETAINED ZHEN DING GROUP AND OUR GROUP

Principal Business of Our Group and the Retained Zhen Ding Group

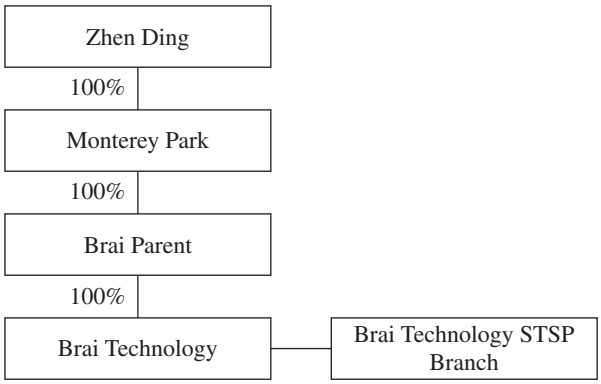
Apart from our Group's business, Zhen Ding has interests in other businesses operating through various direct and indirect subsidiaries that do not form part of our Group. There is clear delineation between the business operated by our Group and those operated by the Retained Zhen Ding Group (the "**Retained Zhen Ding Business"**). The table below sets forth the principal business of our Group and the Retained Zhen Ding Business following the [REDACTED]:

Principal business of our Group:	Research and development, production and sales of IC substrates ("**Our Principal Business**").
Retained Zhen Ding Group Business:	(i) Research and development, production and sales of printed circuit board products and the offering of related integrated solutions spanning the research and development, design, manufacturing and sale of printed circuit board products. Such business is carried out by Avary Group and Boardtek Electronics Corporation. (ii) Zhen Ding will retain its interests in Brai Technology, which will continue to produce and process IC substrates solely for our Group as an OEM. See "— Brai Technology" for more details. (iii) Other non-principal businesses that do not compete with Our Principal Business, such as waste and sludge treatment services, which is carried out by Yaoding Environmental Energy Technology (Shenzhen) Co., Ltd.

IC substrates and printed circuit boards serve different functions in the electronics value chain. An IC substrate is a specialized, high-density interconnection platform used in semiconductor packaging, serving as a critical carrier that provides electrical connectivity, mechanical support and thermal management between the silicon die and the printed circuit board. Printed circuit boards, by contrast, are system-level interconnection platforms that connect packaged semiconductor devices and other electronic components to form complete electronic systems. Because IC substrates operate directly at the chip-packaging level, they require more advanced manufacturing technologies, higher interconnection precision and stricter material performance requirements, while printed circuit boards primarily focus on component integration and system-level connectivity. Accordingly, Our Principal Business and the printed circuit board business carried out by Avary Group and Boardtek Electronics Corporation are two fundamentally different businesses that do not compete with each other.

Brai Technology

Brai Technology, a member of the Retained Zhen Ding Group based in Chinese Taiwan, is principally engaged in the production of IC substrates. The management team of Brai Technology is independent of our Group. The following simplified structure chart illustrates the shareholding of Zhen Ding in Brai Technology as of the Latest Practicable Date.



For the three months ended March 31, 2026, our Group procured certain semi-finished products and finished products from Brai Technology, with a total procurement cost of approximately RMB25,000, representing 0.003% of our total cost of sales for the same period. As of the Latest Practicable Date, the annual production capacity of Brai Technology is 605 thousand panels. Upon and after the [REDACTED], Brai Technology expects to continue to produce and process IC substrates solely for our Group as an OEM. See "Connected Transactions — Non-exempt Continuing Connected Transactions — 6. Framework Purchase Agreement" for more details.

Reasons for the exclusion of the excluded business

Pursuant to the applicable laws and regulations in Chinese Taiwan, a Chinese Mainland investor, including a company incorporated in Chinese Mainland and the companies in which it holds, directly or indirectly, 30% or more equity interests, are prohibited from having a controlling stake in any business in the IC manufacturing and semiconductor packaging and testing industry in Chinese Taiwan. Our legal advisor as to Chinese Taiwan laws advises that, as our Company is incorporated in Chinese Mainland, it is legally impermissible for our Company to own Brai Technology.

Where our Group is subsequently permitted under the applicable laws and regulations to own Brai Technology, we will acquire Brai Technology from Retained Zhen Ding Group as soon as practicable. Pursuant to the Non-Competition Undertaking issued by Zhen Ding in favor of our Company, our Group has the right to acquire any business conducted by Zhen Ding, any of its subsidiaries or close associates that competes with or may potentially compete with our business. See "— Non-Competition Undertaking" for more details.

Brai Technology will only act as an OEM of the Group for IC substrates and not compete with the Group

In order to protect our Group's interests and prevent any competition between our Group and Brai Technology in the future, Zhen Ding [issued] the Non-Competition Undertaking in favor of our Company on [*Date*], pursuant to which Zhen Ding irrevocably agreed and undertook to our Company that, during the Restricted Period (as defined below), it will exercise its control over Monterey Park, Brai Parent and Brai Technology to ensure that Brai Technology (i) shall supply to our Group products and services related to IC substrates (including, without limitation, IC substrate processing and contract manufacturing services) and any other products and services related to Our Principal Business or any other business that our Group plans to engage as described in this Document (collectively, the "**Leading Group Business**"); (ii) shall not, other than carrying out production to fulfill orders from our Group, sell or provide any products or services related to IC substrates or any other products and services

related to the Leading Group Business to any other third party; and (iii) shall not otherwise compete or potentially compete with our Group or disrupt, harm, obstruct or adversely affect the Leading Group Business in any manner. See "— Non-Competition Undertaking" for more details.

Under this exclusive supply arrangement, Brai Technology will not take on any order for products and services related to IC substrates from any company other than our Group and will solely act as an OEM of our Group for products and services related to IC substrates in circumstances where our Group has production capacity constraints or where our customers has a geographical requirement as to the location of product production. Accordingly, Brai Technology is not able to, and will not, compete with our Group as to Our Principal Business.

The Group will carry on its business independently and at arms-length from Brai Technology

The Group does not rely on Brai Technology or the Retained Zhen Ding Group to carry on its business. See "— Independence from Our Controlling Shareholders" for more details. The exclusive supply arrangement between the Group and Brai Technology serves only as a supplement, not a crucial part, of the overall production capacity of the Group. Any purchase order placed by our Group to Brai Technology will comply with the terms set forth in "Connected Transactions — Non-exempt Continuing Connected Transactions — 6. Framework Purchase Agreement", which will be conducted on normal commercial terms or better for our Group.

Save as disclosed above, as of the Latest Practicable Date, none of the members of the Retained Zhen Ding Group was engaged in Our Principal Business.

In view of the foregoing, our Directors are of the view that (i) our operations are independent and separate from the Retained Zhen Ding Group Business, and there is a clear business delineation between our Group and the Retained Zhen Ding Group; and (ii) the Retained Zhen Ding Group Business does not compete, and is unlikely to compete, directly or indirectly, with the Principal Business. Pursuant to the Non-Competition Undertaking, details of which are set out in the paragraph headed "Non-Competition Undertaking" below, Zhen Ding has undertaken that, save for Brai Technology, which will act solely as an OEM of our Group, the Retained Zhen Ding Group would not engage in any part of Our Principal Business.

NON-COMPETITION UNDERTAKING

On [*Date*], Zhen Ding provided the Non-Competition Undertaking in favor of our Company. The salient terms of the Non-Competition Undertaking are summarized below:

(i) ***Non-Competition.*** Zhen Ding has irrevocably undertaken to our Company that, except for the exclusive supply arrangement between our Group and Brai Technology as set out in sub-paragraph (iv) below, it shall not (and shall not permit any of its subsidiaries or close associates (as ascribed in the Listing Rules and, for the purposes of the Non-Competition Undertaking, exclude any member of our Group)), on its own account or through its representatives or together with any third parties, directly or indirectly invest in, participate in, carry on, and/or operate any business that competes with, or may compete with, the Leading Group Business or otherwise benefit from such business, or otherwise compete or potentially compete with our Group or disrupt, harm, obstruct or adversely affect the Leading Group Business in any manner.

(ii) ***Option for New Business Opportunities.*** Zhen Ding has also undertaken that, in the event that Zhen Ding, its affiliates or close associates become aware of or are recommended or offered with a new business opportunity which may directly or indirectly compete with, or is

likely to compete with, the Leading Group Business, including but not limited to the business opportunities which are the same as or similar to the Leading Group Business (the "**New Business Opportunities**"), Zhen Ding shall, and shall procure its affiliates or close associates to:

(a) provide us with a written notification regarding the New Business Opportunities and, subject to compliance with relevant laws and contractual arrangements with third parties, refer or recommend the New Business Opportunities to our Group and provide us with information with respect to the New Business Opportunities as may be reasonably required by our Group to evaluate the New Business Opportunities; and

(b) if there are circumstances which prevent our Group from engaging in the New Business Opportunities, Zhen Ding, after obtaining confirmation from our Group, may engage in the New Business Opportunities. However, where our Group is subsequently permitted to engage in the New Business Opportunities, our Group is entitled, at any time, to acquire any business commenced by Zhen Ding, its affiliates or its close associates, as a result of engaging in the New Business Opportunities, provided that doing so would not contravene applicable laws or prejudice the interests of our Shareholders, and would comply with contractual arrangements with third parties.

(iii) ***Further Undertakings.*** Zhen Ding has further undertaken that:

(a) if Zhen Ding, its subsidiaries or its close associates intend to transfer, sell, lease, or license to a third party any business or interest which competes or may potentially compete with the Leading Group Business, or any business or interest that is capable of or may result in direct or indirect competition with the Leading Group Business, they shall grant to our Group a right of first refusal over such business or interest on the same terms as those that would have been offered to the third party; and

(b) our Group has the right to acquire, at any time, any business conducted by Zhen Ding, any of its subsidiaries or close associates that competes with or may potentially compete with the Leading Group Business, or all or part of any business conducted pursuant to the New Business Opportunities. The terms of acquisition shall be determined after obtaining the opinion of independent experts and shall be on normal commercial terms which are fair and reasonable and in the interest of our Group,

provided that, in each case, doing so would not contravene applicable laws or prejudice the interests of our Shareholders, and would comply with contractual arrangements with third parties.

(iv) ***Acknowledgment and arrangement with respect to co-owned patents.*** Zhen Ding acknowledges, agrees and confirms that:

(a) (A) our Group is entitled to the complete and unrestricted use of all patents which are co-owned by Zhen Ding (including, for the purpose of this paragraph, its subsidiaries) and our Group (the "**Co-owned Patents**"), and is entitled to independently and freely use the Co-owned Patents and authorize third parties to use the Co-owned Patents, and Zhen Ding shall not, and shall have no right to, unilaterally revoke any rights enjoyed by our Group in respect of the Co-owned Patents; (B) any proceeds derived by our Group from conducting business based on the Co-owned Patents (the "**Co-owned Patent Proceeds**") shall belong exclusively to our Group, and Zhen Ding shall not, for

any reason, require our Group to share any Co-owned Patent Proceeds generated in the past or in the future; and (C) Zhen Ding shall not charge our Group any costs or fees arising from the past or future use of the Co-owned Patents; and

(b) Zhen Ding shall not transfer any Co-owned Patents to any third party (other than our Group), and it shall not license or, through any other means, allow such third parties any right to obtain or use the Co-owned Patents, or create any encumbrance over the Co-owned Patents.

(v) ***Exclusive supply arrangement between our Group and Brai Technology.*** As mentioned in "— Brai Technology" above, Zhen Ding has undertaken that, during the Restricted Period, it will exercise its control over Monterey Park, Brai Parent and Brai Technology to ensure that Brai Technology (a) shall supply to our Group products and services related to IC substrates (including, without limitation, processing and contract manufacturing services for IC substrates) and any other products and services related to the Leading Group Business; (b) shall not, other than carrying out production to fulfill orders from our Group, sell or provide any products or services related to IC substrates or any other products and services related to the Leading Group Business to any other third party; and (c) shall not otherwise compete or potentially compete with our Group or disrupt, harm, obstruct or adversely affect the Leading Group Business in any manner.

(vi) ***Restricted Period.*** The Non-Competition Undertaking shall take effect from the date of the Non-Competition Undertaking until (a) the date on which the [REDACTED] cease to be [REDACTED] on the Stock Exchange (other than any cessation pursuant to a [REDACTED] or [REDACTED] under the Listing Rules); or (b) the date on which Zhen Ding and its close associates cease to be entitled to exercise or control, individually or collectively and directly and/or indirectly, 30% or more of the voting rights in our Company at a general meeting of our Company (the "**Restricted Period**").

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are of the view that we are able to conduct our business independently from our Controlling Shareholders and their respective associates after the [REDACTED].

Management Independence

Our Board comprises one executive Director, two non-executive Directors, three independent non-executive Directors and one employee Director.

Except for one of our non-executive Directors, namely, Mr. HSIAO Te-Wang, who also serves as the senior vice president and chief financial officer of Avary Holding, none of our Directors or members of our senior management team holds any position in our Controlling Shareholders or their respective close associates.

Despite his overlapping role, Mr. HSIAO Te-Wang, as our non-executive Director, is not and will not be involved in the day-to-day management and operations of our business. Our executive Director and senior management team are able to devote sufficient time and efforts to manage the business operations of our Group and make decisions independent of the Controlling Shareholders and their respective close associates. Furthermore, there are three independent non-executive Directors in our seven-member Board, who would provide sufficient independent oversight over the formulation and implementation of major decisions of our Group based on their skills and professional experience.

Each of the 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 any 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.

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 [REDACTED].

Operational Independence

Despite the controlling interest in our Company retained by our Controlling Shareholders after the [REDACTED], our Group holds or is entitled to or enjoys the benefit of all relevant licenses necessary to carry out our business, and has sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders. We also have full rights to make all decisions regarding, and to carry out, our own business operations independently.

We have also adopted a set of internal control procedures to maintain effective and independent operation of our business. In addition, we have sufficient operational capacity and employees to operate independently from our Controlling Shareholders and their close associates.

Research and development

We have established our own R&D team independent of our Controlling Shareholders, comprising members with industry experience in IC substrate technology, product innovation, materials science and advanced manufacturing processes. As of the Latest Practicable Date, our R&D team comprised 626 employees, who are all full-time employees of our Group and do not conduct any research and development for our Controlling Shareholders or their respective close associates.

As of the Latest Practicable Date, our Group had 151 Co-owned Patents in Chinese Mainland and overseas, of which 16 Co-owned Patents in Chinese Mainland and 1 Co-owned Patent in the United States are considered material to our operations (the "**Material Co-owned Patents**"). We do not currently use, and have no plans to use, the other Co-owned Patents in our business operations. Pursuant to the Non-Competition Undertaking, (i) Zhen Ding acknowledges, agrees and confirms that our Group is entitled to the complete and unrestricted use of all Co-owned Patents; and (ii) Zhen Ding has undertaken to our Company that it shall not transfer any Co-owned Patents to any third party (other than our Group), nor shall it license or, through any other means, allow such third parties any right to obtain or use the Co-owned Patents, or create any encumbrance over the Co-owned Patents. Furthermore, as advised by our PRC IP Legal Advisor and U.S. IP Legal Advisor, (a) our Group is entitled to the complete and unrestricted use of the Material Co-owned Patents and has the rights to use and grant non-exclusive license in respect of the Material Co-owned Patents to third parties independently; (b) our Group is entitled to all revenue or income derived by us from the Material Co-Owned Patents; and (c) the rights of our Group with respect to the Material Co-owned Patents are not subject to unilateral termination by the Retained Zhen Ding Group. Accordingly, we are able to conduct and manage our R&D process and use our patents independently.

Customers, sales and marketing

Our sales and marketing personnel are independent of our Controlling Shareholders. As of the Latest Practicable Date, our sales and marketing team comprised 74 experienced employees, who are all full-time employees of our Group and do not conduct any sales and marketing function of our Controlling Shareholders or their respective close associates.

As we are a supplier of IC substrates, our main customers are OSAT, IDM and IC design companies. On the contrary, as the Retained Zhen Ding Group Business is mainly in the printed circuit board sector, its customers are mainly consumer electronics brands and their designated OEM and ODM companies. As some of our and the Retained Zhen Ding Group's clients are technology giants whose businesses cover different links on the technology industry value chain, our and the Retained Zhen Ding Group's clients may overlap. However, given the nature of our business and the Retained Zhen Ding Business are fundamentally different, the sales and marketing function of our Group and the Retained Zhen Ding Group face different points of contacts, departments or entities within these overlapping customers.

Accordingly, our sales and marketing as well as customer acquisition capability are independent from, and does not rely on, the Retained Zhen Ding Group.

Suppliers and procurement

We procure raw materials, semi-finished components and finished components used in Our Principal Business from our suppliers independently from our Controlling Shareholders. As of the Latest Practicable Date, our procurement team comprised 11 experienced employees, who are all full-time employees of our Group and do not conduct any procurement function of our Controlling Shareholders or their respective close associates, and we do not engage in any joint procurement with the Retained Zhen Ding Group. Accordingly, our procurement function is independent from, and do not rely on, the Retained Zhen Ding Group.

Production

We produce our products using our own production facilities. See "Business — Production" for more details. As discussed above in "— Brai Technology", the exclusive supply arrangement between the Group and Brai Technology serves only as a supplement, not a crucial part, of the overall production capacity of the Group. Accordingly, our production function is independent from, and does not rely on, the Retained Zhen Ding Group.

As of the Latest Practicable Date, we leased staff dormitories, office premises and carparks in Shenzhen, Qinhuangdao and Chinese Taiwan from the Retained Zhen Ding Group to support our daily administrative functions. Such premises do not include any production facilities. We expect to continue to lease such premises from the Retained Zhen Ding Group. See "Connected Transactions — Fully-Exempt Continuing Connected Transactions — 3. Framework Lease Agreement with Zhen Ding Group" and "Connected Transactions — Partially Exempt Continuing Connected Transactions — 5. Framework Lease Agreement with Avary Group" for more details.

Sales to and procurement from the Retained Zhen Ding Group

Our main customers are OSAT companies, IDM companies and IC design companies. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from our sale of products, services and waste materials to the Retained Zhen Ding Group amounted to RMB279.3 million, RMB1.5 million, RMB69.0 million and RMB46.8 million, respectively, representing 23.6%, 0.1%, 2.4% and 5.1% of our total revenue for the respective years or period. Such sales covered the following products and services:

(i) IC substrates which were sold to members of the Zhen Ding Group for onward sale to customers outside of Chinese Mainland. Our revenue generated from such sales amounted to RMB278.6 million in 2023, representing 99.9% of our total sales to the Retained Zhen Ding Group in the same year. We discontinued this onward sale arrangement in June 2023, as our Group has since maintained our own overseas sales channels independent of the Retained Zhen Ding Group;

(ii) temporary processing services for metal surface finishing and solder ball placement services provided to members of the Retained Zhen Ding Group. Our revenue generated from such temporary subcontracting services amounted to RMB0.1 million, RMB1.2 million, RMB3.8 million and RMB1.3 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 0.0%, 80.0%, 5.5% and 2.8% of our total sales to the Retained Zhen Ding Group for the corresponding years or period. This arrangement ceased to be in place as of the Latest Practicable Date;

(iii) leasing of storage facilities to members of the Retained Zhen Ding Group. These arrangements were made to utilize idle facilities of our Group and reduce production costs for the Avary Group. Our revenue generated from such leases amounted to RMB0.1 million, RMB0.3 million, RMB1.3 million and RMB0.3 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 0.0%, 20.0%, 1.9% and 0.6% of our total sales to the Retained Zhen Ding Group for the corresponding years or period. It is expected that such arrangements will not continue after the [REDACTED]; and

(iv) waste materials generated during our Group's production activities, including various types of scrap metal and scrap non-metallic materials, which are only side products of our production and processing activities. Our revenue generated from such sale of waste materials amounted to RMB0.4 million, nil, RMB63.9 million and RMB45.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 0.1%, nil, 92.6% and 96.4% of our total sales to the Retained Zhen Ding Group for the corresponding years or period. Such Transactions are expected to continue after the [REDACTED]. See "Connected Transactions — Non-Exempt Continuing Connected Transactions — 7. Scrap and Waste Materials Sales Framework Agreement" for more details.

Accordingly, our Directors are of the view that such arrangement would not affect our operational independence given the nature and small amount of the sales.

During the Track Record Period, our procurement from the Retained Zhen Ding Group amounted to RMB96.8 million, RMB94.6 million, RMB97.4 million and RMB25.6 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 3.4%, 5.0%, 4.1% and 3.3% of our total purchase in the respective years or period. Such procurement comprised:

(i) our one-off acquisition of inventory of IC substrates from the Retained Zhen Ding Group. Such procurement of inventory amounted to RMB2.2 million in 2023, representing 2.3% of our procurement from the Retained Zhen Ding Group in the same year. As mentioned above, we have established our own overseas sales channels independent of the Retained Zhen Ding Group in June 2023. After setting up our own overseas sales channels, we purchased such inventory to unify our overseas sales operations and thereafter discontinued our onward sale arrangement with the Retained Zhen Ding Group;

(ii) semi-finished and finished IC substrates products procured from Brai Technology pursuant to the exclusive supply arrangement set out in "— Brai Technology". Such procurement began in 2026, with a total procurement amount of approximately RMB25,000 for the three months ended March 31, 2026. Such leasing arrangement is expected to continue after the [REDACTED]. See "Connected Transactions — Non-Exempt Continuing Connected Transactions — 6. Framework Purchase Agreement" for more details;

(iii) our purchases of certain sewage and waste treatment services provided by other members of the Retained Zhen Ding Group. We procure such services from the Retained Zhen Ding Group as certain members of Retained Zhen Ding Group have the relevant licenses and possess the necessary expertise of waste treatment, and such arrangement is expected to continue after the [REDACTED]. See "Connected Transactions — Fully-Exempt Continuing Connected Transactions — 2. Waste Treatment Services Framework Agreement" and "Connected Transactions — Partially Exempt Continuing Connected Transactions — 4. Sewage Treatment Services Framework Agreement" for more details. Such procurement of sewage and waste treatment services amounted to RMB35.9 million, RMB31.6 million, RMB30.8 million and RMB8.8 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 37.1%, 33.4%, 31.6% and 34.4% of our procurement from the Retained Zhen Ding Group in the corresponding years or period. The wastewater and waste treatment services are ancillary services relating to our production and processing activities;

(iv) our rental of staff dormitories, office premises and carparks in Shenzhen, Qinhuangdao and Chinese Taiwan from the Retained Zhen Ding Group to support our daily administrative functions, which amounted to RMB2.4 million, RMB5.5 million, RMB4.8 million and RMB1.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 2.5%, 5.8%, 4.9% and 4.3% of our procurement from the Retained Zhen Ding Group in the corresponding years or period. Such leasing arrangement is expected to continue after the [REDACTED]. See "Connected Transactions — Fully-Exempt Continuing Connected Transactions — 3. Framework Lease Agreement with Zhen Ding Group" and "Connected Transactions — Partially Exempt Continuing Connected Transactions — 5. Framework Lease Agreement with Avary Group" for more details, and

(v) procurement of utilities through the Retained Zhen Ding Group. The Retained Zhen Ding Group and our Group operate certain properties that are adjacent to each other and share utilities. During the Track Record Period, the Retained Zhen Ding Group paid these utility expenses from time to time on behalf of our Group and our Group reimbursed the Retained Zhen Ding Group such expenses. All expenses were reimbursed at cost without any mark-up.

The historical transaction amounts between our Group and the Retained Zhen Ding Group with respect to our portion of the shared utilities expenses amounted to RMB56.3 million, RMB57.5 million, RMB61.8 million and RMB15.7 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 58.1%, 60.8%, 63.5% and 61.3% of our procurement from the Retained Zhen Ding Group in the corresponding years or period. Such arrangement is expected to continue after the [REDACTED]. See "Connected Transactions — Fully-Exempt Continuing Connected Transactions — 1. Utility Sharing Agreement with Avary Group".

Given the nature of such services, our Directors are of the view that the procurement of wastewater and waste treatment services would not affect our operational independence. Save as disclosed above, we do not procure raw materials, molds and tolling, equipment and machinery, work-in-progress or finished goods from the Retained Zhen Ding Group, except for the exclusive supply arrangement with Brai Technology. See "— Brai Technology" for the analysis of our independence with regard to such arrangement.

Financial Independence

We have adopted our own internal control, accounting, funding, reporting and financial management systems, and we also have an independent accounting and finance department responsible for discharging relevant financial and treasury functions with relevant finance personnel. We open and manage our bank accounts independently, and have never shared any bank account with our Controlling Shareholders and/or their respective close associates.

We also have our own treasury function and independent access to third party financing. As of the Latest Practicable Date, all loans due from our Controlling Shareholders and their respective associates have been fully settled and all loans due to our Controlling Shareholders and their respective associates have been fully repaid. As such, our Group does not rely on our Controlling Shareholders and/or their associates by virtue of their historical provision of financial assistance. As of the Latest Practicable Date, our Controlling Shareholders and their associates did not extend any loans to us, and did not provide guarantee or other collateral to secure any of our borrowings. Our Directors believe that we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders.

Our Board has established the Audit Committee comprising solely of independent non-executive Directors to provide independent oversight to, among others, our accounting and financial reporting processes.

In light of the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that it fully comprehends its obligations to act as our Shareholders' and our best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we [have implemented] the following measures:

(i) the independent non-executive Directors will review, at least on an annual basis, the compliance by our Controlling Shareholders with the Non-Competition Undertaking;

(ii) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transactions annually and confirm in our annual reports 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;

(iii) as part of our preparation for the [REDACTED], 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 associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(iv) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and abstain from voting at the Board meetings on matters in which such Director or his associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(v) we are committed that our Board should maintain a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors. 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 [REDACTED] Shareholders. Details of our independent non-executive Directors are set out in the section headed "Directors and Senior Management — Directors — Independent Non-executive Directors" in this Document;

(vi) in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between the Group on the one hand, and the Controlling Shareholders and/or the Directors on the other hand, the Controlling Shareholders and/or the Directors shall provide the independent non-executive Directors with all necessary information and the Company shall disclose the decisions of the independent non-executive Directors (including why business opportunities referred to it by the Controlling Shareholders were not taken up) either through its annual report or by way of announcements;

(vii) our audit committee, comprising only of our three independent non-executive Directors, will conduct a review on the effectiveness of the above internal control measures on an annual basis; and

(viii) we have appointed Altus Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

CONNECTED TRANSACTIONS

OVERVIEW

We have entered into a number of continuing agreements and arrangements with our connected persons (as defined under Chapter 14A of the Listing Rules) in our ordinary and usual course of business. Upon the [REDACTED] of the H Shares on the [REDACTED], the transactions disclosed under this section will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

RELEVANT CONNECTED PERSONS

The table below sets forth the parties that will become our connected persons and have entered into transactions with our Group, which will constitute continuing connected transactions for our Group upon [REDACTED]:

Connected Person	Relationship
Zhen Ding Group . .	As of the Latest Practicable Date, Zhen Ding is our Controlling Shareholder hence connected person. Each member of Zhen Ding Group is an associate of Zhen Ding and hence is our connected person under the Listing Rules.
Avary Group	As of the Latest Practicable Date, Avary Holding is our Controlling Shareholder hence connected person. Avary Holding is also a subsidiary of Zhen Ding. Each member of Avary Group is an associate of Avary Holding and hence is our connected person under the Listing Rules.

SUMMARY OF CONTINUING CONNECTED TRANSACTIONS

No.	Connected Transaction	Relevant Listing Rules	Connected Person	Waiver Sought
	Fully-exempt continuing connected transaction			
1.	Utility sharing with Avary Group	14A.97	Avary Group	N/A
2.	Waste treatment service transactions with Zhen Ding Group	14A.76(1)	Zhen Ding Group	N/A
3.	Lease transactions with Zhen Ding Group	14A.76(1)	Zhen Ding Group	N/A
	Partially exempt continuing connected transactions			
4.	Sewage treatment service transactions with Avary Group	14A.35, 14A.76(2) and 14A.105	Avary Group	Announcement
5.	Lease transactions with Avary Group	14A.35, 14A.76(2) and 14A.105	Avary Group	Announcement

No.	Connected Transaction	Relevant Listing Rules	Connected Person	Waiver Sought
	Non-exempt continuing connected transactions			
6.	Purchase of equipment and machinery, semi-finished products, and finished products from Zhen Ding Group	14A.35, 14A.36, 14A.71 and 14A.105	Zhen Ding Group	Announcement and independent Shareholders' approval
7.	Sale of various scrap and waste materials transactions to Zhen Ding Group	14A.35, 14A.36, 14A.71 and 14A.105	Zhen Ding Group	Announcement and independent Shareholders' approval

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Utility Sharing Agreement with Avary Group

Parties: Our Group (as payor); and

Avary Holding (as payee)

Principal terms: Avary Group and our Group operate certain properties in Qinhuangdao, China and Shenzhen, China, that are adjacent to each other. These properties share utilities, including water, electricity, heating, natural gas and nitrogen. During the Track Record Period, Avary Group paid these utility expenses from time to time on behalf of our Group and our Group reimbursed Avary Group such expenses. All expenses are reimbursed at cost without any mark-up. The foregoing arrangement is expected to continue after the [REDACTED].

Our Company entered into a utility sharing agreement with Avary Holding on [*Date*] ("**Utility Sharing Agreement**") to document the foregoing arrangement. The term of the agreement is three years effective as of the [REDACTED], which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Relevant subsidiaries of both parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in Utility Sharing Agreement.

Reasons for the transaction: We do not maintain a separate account or meter for the aforesaid utilities for the relevant properties, as we consider it may impose extra administrative costs and unnecessarily disrupt our operations to set up our separate account or meter.

Pricing policy: Our utility expenses are payable by us to Avary Holding on a cost basis at the government-prescribed rates charged and the consumption amount will be confirmed by both parties by jointly inspecting the readings on the relevant meter(s) on a regular basis.

Historical figures: The historical transaction amounts between our Group and Avary Group with respect to our portion of the shared utilities expenses during the Track Record Period are set out below:

Year ended December 31,			Three months ended March 31,
2023	2024	2025	2026
(in RMB millions)			
56.3	57.5	61.8	15.7

Annual Caps: The maximum aggregate utilities expense amount to be paid by us to Avary Group for the years ending December 31, 2026, 2027 and 2028, respectively shall not exceed the caps set out below:

Year ending December 31,		
2026	2027	2028
(in RMB millions)		
75.1	72.9	77.1

Basis of Caps: The proposed annual caps are determined based on:

(i) the historical transaction amounts for the Track Record Period for the utilities we procured from Avary Group;

(ii) our expected production capacity and expected demand for utilities in the next three years; and

(iii) a buffer of 10% due to fluctuation in prices of utilities, actual production and expansion needs, which may result in increased use of utilities.

Listing Rules Implications: Since (1) the water, electricity, heating, natural gas and nitrogen purchased from Avary Group are for our Group's own consumption and use, and are not processed into our products or for resale; (2) the utilities are consumed and used by our Group in the same state as in which they are purchased; (3) there is an open market and transparent pricing for water, electricity, heating, natural gas and nitrogen procured by our Group; and (4) the terms of Utility Sharing Agreement are no less favorable to our Group than those available from Independent Third Parties, the transactions with Avary Group are fully exempt from the independent shareholders' approval, annual review and all disclosure requirements under Rule 14A.97 of the Listing Rules.

2. Waste Treatment Services Framework Agreement

Parties: Our Group (as customer); and

Zhen Ding (as service provider)

Principal terms: We entered into a framework waste treatment services agreement with Zhen Ding on [*Date*] ("**Waste Treatment Services Framework Agreement**"), pursuant to which Zhen Ding Group may provide us with waste treatment services from time to time and we pay Zhen Ding Group service fees for such treatment.

For membrane sludge and cotton cores, Zhen Ding Group will set up relevant drying equipment and machinery at our production sites and tailor it to meet our waste management needs. Such drying and volume-reduction treatment will take place at our production facilities, and Zhen Ding Group will retain the ownership of, and operate, such equipment and machinery. For other materials, including scrap laminate boards and general industrial waste, Zhen Ding Group will collect such materials from our production facilities for further handling.

The term of Waste Treatment Services Framework Agreement is three years commencing on the [REDACTED], which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. We will separately enter into specific agreements with Zhen Ding Group which will set out the specific terms and conditions in accordance with the principles provided in Waste Treatment Services Framework Agreement.

Reasons for the transaction: Certain members of Zhen Ding Group have the relevant licenses and possess the necessary expertise of waste treatment. These entities operate in our and other Zhen Ding Group members' manufacturing facilities in Shenzhen and Qinhuangdao.

Pricing policy: ***Membrane Sludge and Cotton Cores:***

The price paid by our Group for the drying and volume reduction of membrane sludge and cotton cores shall be determined by (i) the reduced weight of membrane sludge and waste filter cotton cores, (ii) the unit price per ton determined for each type of material, and (iii) an agreed discount ratio.

Our Group will conduct an annual market review on discount ratios and unit prices per ton by obtaining quotes from at least two Independent Third Parties for comparable services to ensure the terms offered by Zhen Ding Group are on normal commercial terms or better.

Other Materials:

For the disposal service of scrap laminate boards and general industrial waste, the price paid by our Group shall be negotiated between the parties on an arm's length basis, with reference to the prevailing market price.

Our Group will conduct an annual market review on unit prices per ton by obtaining quotes from at least two Independent Third Parties for comparable products to ensure the terms offered by Zhen Ding Group are on normal commercial terms or better.

Historical figures: The historical transaction amounts between our Group and Zhen Ding Group with respect to the waste treatment services during the Track Record Period are set out below:

Year ended December 31,			Three months ended March 31,
2023	2024	2025	2026
(in RMB millions)			
—	—	0.2	0.1

Annual Caps: The maximum aggregate annual waste treatment services fee amount to be paid by us to Zhen Ding Group for the years ending December 31, 2026, 2027 and 2028, respectively shall not exceed the caps set out below:

Year ending December 31,		
2026	2027	2028
(in RMB millions)		
0.7	0.7	1.1

Basis of Caps: The proposed annual caps are determined based on:

(i) the historical amounts of transactions between our Group and Zhen Ding Group during the Track Record Period with respect of waste treatment services;

(ii) the expected increasing demand for waste treatment services as a result of our growth in production volume and our expansion in production facilities; and

(iii) a buffer of 10% in the event of adjustments to actual waste treatment services required due to actual production and expansion needs.

Listing Rules Implications: As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules in respect of the above transaction, which is conducted on normal commercial terms or better, are expected to be less than 0.1%, it will fall within the de minimis threshold under Rule 14A.76(1) of the Listing Rules and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Framework Lease Agreement with Zhen Ding Group

Parties: Our Group (as lessee); and

Zhen Ding (as lessor)

Principal terms: We entered into a property lease framework agreement with Zhen Ding on [*Date*] ("**Zhen Ding Framework Lease Agreement**"), pursuant to which we may lease various properties from Zhen Ding Group for office, parking and employee dormitory purposes.

The term of the Zhen Ding Framework Lease Agreement is three years commencing on the [REDACTED], which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Relevant subsidiaries of both parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Zhen Ding Framework Lease Agreement.

Reasons for the transaction: We have historically leased the relevant property from Zhen Ding Group for use as one of our offices. In light of the satisfactory maintenance and stable lease term provided by Zhen Ding Group to us, we intend to continue to lease from Zhen Ding Group following the [REDACTED]. In addition, relocating to an alternative property will incur unnecessary costs and cause unnecessary disruption to our operations.

Pricing policy: The pricing shall be determined after arm's length negotiations with reference to the location, function and size of the properties, and are to be no less favorable to our Group than the prevailing market price of the rent of similar property in the vicinity.

Historical figures: The historical transaction amounts comprising the rental during the Track Record Period is set out as follows:

Year ended December 31,			Three months ended March 31,
2023	2024	2025	2026
(in RMB millions)			
0.2	0.3	0.3	0.1

Annual Caps: The maximum aggregate annual amount to be paid by us to Zhen Ding Group in connection with the Zhen Ding Framework Lease Agreement for the years ending December 31, 2026, 2027 and 2028, respectively shall not exceed the caps set out below:

Year ending December 31,		
2026	**2027**	**2028**
(in RMB millions)		
0.3	0.3	0.3

Basis of Caps: The proposed annual caps are determined based on:

(i) the historical amounts for the property we leased from Zhen Ding Group during the Track Record Period;

(ii) the expected increasing demand for demand for relevant properties for the next three years ending December 31, 2028; and

(iii) a buffer of 10% to cater for unexpected additional need for properties to be leased from Zhen Ding Group due to actual business expansion needs.

Listing Rules Implications: As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules in respect of the above transaction, which is conducted on normal commercial terms or better, are expected to be less than 0.1%, it will fall within the de minimis threshold under Rule 14A.76(1) of the Listing Rules and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but below 5%, pursuant to Rule 14A.76(2)(a) of the Listing Rules. As such, the transactions contemplated therein are exempted from the circular (including independent financial advice) and independent shareholders' approval requirements, but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Our Directors are of the view that these transactions will be conducted on normal commercial terms and not prejudicial to the interest of our Company's minority Shareholders.

4. Sewage Treatment Services Framework Agreement

Parties: Our Group (as customer); and

Avary Holding (as service provider)

Principal terms: We entered into a sewage treatment services framework agreement with Avary Holding on [*Date*] ("**Sewage Treatment Services Framework Agreement**"), pursuant to which Avary Group may provide us with sewage treatment services from time to time and we pay Avary Group service fees.

The term of the Sewage Treatment Services Framework Agreement is three years commencing on the [REDACTED], which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. We will separately enter into specific agreements with Avary Group which will set out the specific terms and conditions in accordance with the principles provided in the Sewage Treatment Services Framework Agreement.

Reasons for the transaction: Hongqisheng, a member of Avary Group, possesses the requisite licenses and expertise in sewage treatment and is located in close proximity to our manufacturing facilities in Qinhuangdao. There are no other large-scale sewage treatment facilities in the vicinity that are able to meet our Group's operational needs, and transporting sewage to Independent Third Party service providers would result in significantly higher treatment costs, rendering such arrangements commercially and operationally impracticable.

In addition, we have been procuring such services from Hongqisheng during the Track Record Period. Our Group and Hongqisheng have established a long-term and stable business relationship. Considering that Hongqisheng has provided such service to us during the Track Record Period, we believe it is in the best interests of our Group and our Shareholders as a whole to continue to procure such service from Hongqisheng who is capable of fulfilling our demands with a stable and high quality service.

Pricing policy: The service fees shall be negotiated between the parties on an arm's-length basis, based upon the actual costs incurred by Avary Group per ton and a mark-up of 5% of the actual cost.

Our Group will conduct an annual market review on the service fees by obtaining quotes from at least two Independent Third Parties for comparable services to ensure the terms offered by Zhen Ding Group are on normal commercial terms or better. Such quotations will be comprehensively reviewed and evaluated after taking into account the price (including actual cost) and other non-price factors (such as supply volume and supply stability), by designated personnel of our Group.

Historical figures: The historical transaction amounts between our Group and Avary Group with respect to the sewage treatment services during the Track Record Period are set out below:

Year ended December 31,			Three months ended March 31,
2023	2024	2025	2026
(in RMB millions)			
35.9	31.6	30.6	8.7

Annual Caps: The maximum aggregate annual sewage treatment services fee amount to be paid by us to Avary Group for the years ending December 31, 2026, 2027 and 2028, respectively shall not exceed the caps set out below:

Year ending December 31,		
2026	2027	2028
(in RMB millions)		
36.7	35.7	38.4

Basis of Caps: The proposed annual caps are determined based on:

(i) the historical amounts of transactions between our Group and Avary Group during the Track Record Period with respect of sewage treatment services;

(ii) the expected increasing demand for sewage treatment services as a result of our growth in production volume and our expansion in production facilities; and

(iii) a buffer of 10% in the event of adjustments to actual sewage treatment services required due to actual production and expansion needs.

5. Framework Lease Agreement with Avary Group

Parties: Our Group (as lessee); and

Avary Holding (as lessor)

Principal terms: We entered into a property lease framework agreement with Avary Holding on [*Date*] ("**Avary Holding Framework Lease Agreement**"), pursuant to which we may lease various properties from Avary Group for office, employee dormitory and parking purposes.

The term of the Avary Holding Framework Lease Agreement is three years commencing on the [REDACTED], which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Relevant subsidiaries of both parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Avary Holding Framework Lease Agreement.

Reasons for the transaction: We have historically leased the relevant properties from Avary Group for office, employee dormitory and parking purposes. In light of the satisfactory maintenance and stable lease term provided by Avary Group to us, we intend to continue to lease from Avary Group following the [REDACTED]. In addition, relocating to alternative properties will incur unnecessary costs and cause unnecessary disruption to our operations.

Pricing policy: The pricing shall be determined after arm's length negotiations with reference to the location, function and size of the properties, and are to be no less favorable to our Group than the prevailing market price of the rent of similar properties in the vicinity.

Historical figures: The historical transaction amounts comprising the rental during the Track Record Period is set out as follows:

Year ended December 31,			Three months ended March 31,
2023	2024	2025	2026
(in RMB millions)			
2.2	5.3	4.5	1.0

Annual Caps: The maximum aggregate annual amount to be paid by us to Avary Group in connection with the Avary Holding Framework Lease Agreement for the years ending December 31, 2026, 2027 and 2028, respectively shall not exceed the caps set out below:

Year ending December 31,		
2026	2027	2028
(in RMB millions)		
7.0	8.6	9.9

Basis of Caps: The proposed annual caps are determined based on:

(i) the historical amounts for the properties we leased from Avary Group during the Track Record Period;

(ii) the expected increasing demand for demand for relevant properties for the next three years ending December 31, 2028; and

(iii) a buffer of 10% to cater for unexpected additional need for properties to be leased from Avary Group due to actual business expansion needs.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5% on an annual basis. Under Rule 14A.03 of the Listing Rules, these transactions will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. Framework Purchase Agreement

Parties: Our Company (as purchaser); and

Zhen Ding (as supplier)

Principal terms: We entered into a framework purchase agreement with Zhen Ding on [*Date*] ("**Framework Purchase Agreement**"), pursuant to which we may purchase from Zhen Ding Group various semi-finished products, finished products, equipment and machinery, and raw materials under the following procurement models:

Model One

Purchase of semi-finished products and finished products from Zhen Ding Group.

Model Two

Purchase of equipment and machinery from Zhen Ding Group.

Model Three

Purchase of raw materials from Zhen Ding Group.

The term of the Framework Purchase Agreement is three years commencing on the [REDACTED], which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in Framework Purchase Agreement.

Reasons for the transaction:

Model One

Given the rapidly increasing demand from customers for IC substrates, in circumstances where our Group faces production capacity constraints or where customers impose specific geographical requirements on the location of production, Brai Technology, a member of Zhen Ding Group, will serve as an OEM to assist in the production of certain semi-finished products and finished products. See "Relationship with Our Controlling Shareholders — Brai Technology" for more details.

Model Two and Model Three

The availability of a stable and quality supply of (i) equipment and machinery, and (ii) raw materials enables us to undertake customer orders with stringent delivery timelines without operational constraints. It also reduces the risk of us having to forgo commercially attractive yet operationally demanding orders due to shortages in the general market, thereby allowing us to effectively meet both expedited delivery schedules and high-volume order requirements.

Pricing policy:

Model One

The purchase prices of finished products and semi-finished products will be determined on a cost-plus basis, being the aggregate of (i) the costs that our Group would otherwise incur if we produced the same products (including material costs, labour costs, manufacturing overheads), and (ii) a markup determined by an independent transfer pricing expert to be fair and reasonable and in line with normal commercial terms and arm's length principles applicable to comparable transactions.

Model Two

The purchase prices of equipment and machinery will be negotiated between the parties on an arm's length basis, with reference to a fair value price determined by reference to the relevant customs price range and not exceeding the original purchase price paid by Zhen Ding Group.

Model Three

The purchase prices of raw materials will be negotiated between the parties on an arm's length basis, with reference to a fair value price determined by reference to the relevant customs price range.

Our Company will conduct annual review on the prices by reference to prevailing market prices for at least two similar products to ensure that such transactions are conducted on normal commercial terms or better.

Historical figures: We began purchasing finished products from Brai Technology during the three months ended March 31, 2026. In that period, we purchased finished products from Brai Technology in an amount of approximately RMB25,000. We otherwise did not purchase any semi-finished products, finished products, equipment and machinery, and raw materials as contemplated under the Framework Purchase Agreement from Zhen Ding Group during the Track Record Period.

Annual Caps: The maximum aggregate annual procurement amount from Zhen Ding Group for the years ending December 31, 2026, 2027 and 2028 respectively shall not exceed the caps set out below:

	Year ending December 31,		
	2026	**2027**	**2028**
	(in RMB millions)		
Purchase of semi-finished products and finished products	64.3	330.0	400.0
Purchase of equipment and machinery	—	18.6	55.8
Purchase of raw materials	—	2.1	4.5
Total	**64.3**	**350.7**	**460.3**

Basis of Caps: In determining the proposed annual caps for the transactions contemplated under the Framework Purchase Agreement, we have considered, among other things, the following:

- anticipated demand for semi-finished products, finished products, equipment and machinery, and raw materials, taking into account the latest estimated purchase order volumes and delivery schedules provided by the relevant customers;

- in respect of semi-finished products and finished products, the anticipated expansion of our Group's business in the rapidly expanding global IC substrate industry, taking into account, among others, macroeconomic conditions, market demand and industry standards, which is expected to lead to a corresponding increase in demand for our products in order to match our operating needs. According to Frost & Sullivan, from 2025 to 2030, the global IC substrate market is expected to reach US$30.3 billion, representing a CAGR of 15.3%;

- in respect of equipment and machinery, the types of equipment and machinery that we require for establishing the production lines for the products manufactured by Brai Technology;

- in respect of raw materials, the reasonable over-procurement of materials typically required by an OEM in the ordinary course of business to support our normal manufacturing operations; and

- a buffer of 10% in the event of adjustments due to actual production and expansion needs.

7. Scrap and Waste Materials Sales Framework Agreement

Parties: Zhen Ding (as purchaser); and

our Company (as supplier)

Principal terms: We entered into a scrap and waste materials sales framework agreement with Zhen Ding on [*Date*] ("**Scrap and Waste Sales Framework Agreement**"), pursuant to which Zhen Ding Group may purchase various waste materials from us, including mainly various types of scrap metal, scrap non-metallic materials, and scrap equipment, components and tools.

The term of Scrap and Waste Sales Framework Agreement is three years commencing on the [REDACTED], which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. We will separately enter into specific agreements with Zhen Ding Group which will set out the specific terms and conditions in accordance with the principles provided in Scrap and Waste Sales Framework Agreement.

Reasons for the transaction: Certain members of Zhen Ding Group possess the relevant licenses and necessary expertise in waste treatment. These entities operate in our and other Zhen Ding Group members' manufacturing facilities in Shenzhen and Qinhuangdao. By selling waste materials to Zhen Ding Group, our Group is able to generate additional revenue while reducing transportation and logistics costs for selling the same, as these entities are closer to our facilities compared to Independent Third Parties.

Pricing policy: The pricing under the Scrap and Waste Materials Sales Framework Agreement shall be determined through arm's length negotiations between our Group and Zhen Ding Group, taking into account the following factors based on the nature of the different materials.

Industrial and Precious Metals:

For industrial metals (e.g., copper, and nickel) and precious metals (e.g., gold, silver and palladium), the sale price will be based upon the daily publicly quoted unit prices of such metals published on the website of Shanghai Metals Market on the delivery date and an agreed handling fee. Our Group will conduct an annual market review on the pricing by obtaining quotes from at least two Independent Third Parties for comparable products to ensure the terms offered by Zhen Ding Group are on normal commercial terms or better.

Other Waste Materials:

For the sale of other waste materials, the price will be negotiated between the parties on an arm's length basis, with reference to the prevailing market price.

Our Group will conduct an annual market review on the pricing by obtaining quotes from at least two Independent Third Parties for comparable products to ensure the terms offered by Zhen Ding Group are on normal commercial terms or better.

Historical figures: The historical figures of the sales of scrap and waste materials to Zhen Ding Group during the Track Record Period are set out below:

Year ended December 31,			Three months ended March 31,
2023	2024	2025	2026
(in RMB millions)			
—	—	63.9	45.1

Annual Caps: The maximum aggregate annual sales amount to Zhen Ding Group for the years ending December 31, 2026, 2027 and 2028, respectively, shall not exceed the caps set out below:

Year ending December 31,		
2026	2027	2028
(in RMB millions)		
206.5	202.3	219.9

Basis of Caps: The proposed annual caps are determined based on:

(i) the historical amounts of transactions between our Group and Zhen Ding Group during the Track Record Period with respect to the sales of scrap and waste materials;

(ii) the expected increasing volume of scrap and waste materials as a result of our growth in production volume and our expansion in production facilities. As our Group plans to continue to increase our production capabilities, it is expected that the transaction amounts between our Group and Zhen Ding Group with respect of the sales of scrap and waste materials will increase in the foreseeable future;

(iii) the expected prevailing market price of industrial metals (e.g., copper, and nickel) and precious metals (e.g., gold, silver and palladium); and

(iv) a buffer of 10% in the event of adjustments to scrap and waste materials sold due to increased actual production volume and expansion progress of production facilities.

INTERNAL CONTROL MEASURES ADOPTED BY OUR COMPANY IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- we have adopted and implemented a management system on connected transactions. Under such system, the audit committee under the Board is responsible for the review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Audit Committee under the Board, the Board and various internal departments of our Company are jointly responsible for evaluating the terms of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- the Audit Committee under the Board, the Board and various internal departments of our Company also regularly monitor the fulfillment status and the updates in relation to the continuing connected transactions. In addition, the management of our Company also regularly reviews the pricing policies of the continuing connected transactions;

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules; and

- when considering the service fees and other fees provided by us to the above connected persons, our Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between our Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties.

THE DIRECTORS' VIEWS

In the view of the Directors (including the independent non-executive Directors), it is in the interests of our Group to continue with all the connected transactions described in this section after the [REDACTED], and that all these transactions are conducted on normal commercial terms or better, were entered into in the ordinary and usual course of business of our Group, the terms are fair and reasonable and are in the interests of the Shareholders as a whole. In addition, the proposed annual caps for the non-exempt continuing connected transactions described above are fair and reasonable and in the interests of the Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

Based on the data and information provided by our Company, having made reasonable inquiries and after due and careful consideration, the Sole Sponsor is of the view that as of the date of this Document, the non-exempt continuing connected transactions described above, and for which waivers have been sought, will be entered into in the ordinary and usual course of business of our Group, on normal commercial terms or better that are fair and reasonable and in the interests of our Company and its Shareholders as a whole, and that the respective proposed annual caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

APPLICATION FOR WAIVERS

In respect of the transactions described in "— Partially Exempt Continuing Connected Transactions" above, at least one of the relevant "percentage ratios" (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules will, on an annual basis, be expected to be more than 0.1% but below 5%, the transactions, as aggregated, are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

In respect of the transactions described in "— Non-exempt Continuing Connected Transactions" above, at least one of the relevant "percentage ratios" (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules will, on an annual basis, be expected to be more than 5%, the transactions, are subject to the reporting, annual review, announcement, independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

As described above, we expect these non-exempt continuing connected transactions to be carried out on a continuing basis and to extend over a period of time. Our Directors therefore consider that strict compliance with the announcement, circular and independent Shareholders' approval requirements under the Listing Rules would be impractical and unduly burdensome and would impose unnecessary administrative costs upon us.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the announcement requirement relating to the continuing connected transactions under Rule 14A.35 of the Listing Rules in respect of the transactions described in "— Partially Exempt Continuing Connected Transactions" and a waiver from strict compliance with the announcement, circular and independent Shareholders' approval requirements relating to the continuing connected transactions under Rules 14A.35 and 14A.36 of the Listing Rules in respect of the transaction described in "— Non-exempt Continuing Connected Transactions". Save for and to the extent as waived by the Stock Exchange in respect of the transactions described in "— Partially Exempt Continuing Connected Transactions" and "— Non-exempt Continuing Connected Transactions", our Company shall comply at *all* times 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 as of the date of this Document on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements.

BOARD OF DIRECTORS

Our Board consists of seven Directors, including one executive Director, two non-executive Directors, three independent non-executive Directors and one employee Director, namely:

Name	Age	Date of joining our Group	Date of appointment as a Director	Position	Key responsibilities
Mr. LEE Ting-Chuan (李定轉)	58	March 1, 2017	August 16, 2019	Chairperson of the Board, executive Director and general manager	Overall strategic planning, management, business development and operations of our Group
Mr. HSIAO Te-Wang (蕭得望)	59	May 13, 2026	May 13, 2026	Non-executive Director	Providing professional judgment and guidance on strategic development to the Board
Mr. WANG Yung-Hsiang (王勇祥)	56	June 25, 2026	June 25, 2026	Non-executive Director	Providing professional judgment and guidance on strategic development to the Board
Dr. CHOU Chih-Chen (周志誠)	71	May 13, 2026	May 13, 2026	Independent non-executive Director	Supervising and providing independent opinion and judgment to our Board
Ms. YU Pei-Pei (余佩佩)	62	May 13, 2026	May 13, 2026	Independent non-executive Director	Supervising and providing independent opinion and judgment to our Board
Mr. CHEN Jyan-Bang (陳健邦)	70	June 25, 2026	June 25, 2026	Independent non-executive Director	Supervising and providing independent opinion and judgment to our Board
Mr. ZHANG Yu (張宇)	39	August 1, 2022	May 13, 2026	Employee Director	Participating in the Board as an employee Director

Executive Director

Mr. LEE Ting–Chuan (李定轉), aged 58, joined our Group in March 2017 and has served as the chairperson of the Board, our Director and general manager of our Company since August 2019. He was redesignated as our executive Director on June 25, 2026. He currently serves as a director and the general manager of Leading Qinhuangdao. He is primarily responsible for overall strategic planning, management, business development and operations of our Group.

Mr. Lee has extensive experience in the management of companies in the semiconductor industry. Mr. Lee served as the general manager of Zhen Ding from May 2017 to August 2023 and a director of Zhen Ding from June 2020 to May 2026. From September 2003 to October 2016, he worked at Unimicron Technology Corporation (a company that is listed on the Taiwan Stock Exchange (stock code: 3037) and is primarily engaged in the manufacturing and processing of IC substrates) with the last position of deputy general manager, and served as the general manager of Subtron Technology Co., Ltd. (旭德科技股份有限公司), a subsidiary of Unimicron Technology Corporation. From February 1997 to September 2003, Mr. Lee served as the manager of the technical department of Compeq Manufacturing

Co., Ltd., a specialized printed circuit board manufacturing company that is listed on the Taiwan Stock Exchange (stock code: 2313). From June 1995 to December 1996, he was the planning engineer of Laida Environmental Engineering Co., Ltd. (萊大環境工程股份有限公司), an engineering company.

Mr. Lee received his bachelor's degree in chemical engineering from Chung Yuan Christian University in Chinese Taiwan in June 1991, his master's degree in chemical engineering from National Central University in Chinese Taiwan in June 1993, and his executive master of business administration (EMBA) degree from National Taiwan University in Chinese Taiwan in January 2019.

Mr. Lee obtained the qualification of Environmental Engineer Technician certified by the Ministry of Economic Affairs of Taiwan in May 1997. In December 2024, he was awarded the Outstanding Contribution Award (Excellent Managers of Foreign-Funded Enterprises in Shenzhen) by Shenzhen Association of Enterprises with Foreign Investment.

Mr. Lee holds a minority equity interest in Zhen Ding and currently serves as a director of Zhen Ding Education Foundation, a charitable foundation of the Zhen Ding.

Non-executive Directors

Mr. HSIAO Te–Wang (蕭得望), aged 59, was appointed as our Director on May 13, 2026 and redesignated as a non-executive Director on June 25, 2026. He is primarily responsible for providing professional judgment and guidance on strategic development to the Board.

Mr. Hsiao has served in various positions in Zhen Ding and its subsidiaries. Since March 2017, he successively served as a senior assistant vice president, deputy general manager and senior deputy general manager of Avary Holding. He was a representative director of Zhen Ding from October 2014 to June 2020. From January 2006 to March 2017, he served in various positions in the Zhen Ding Group, including assistant manager, manager, senior manager, director and senior director of Zhen Ding Technology Co., Ltd. (臻鼎科技股份有限公司), a subsidiary of Zhen Ding.

Mr. Hsiao received his bachelor of business administration degree from National Taiwan University in Chinese Taiwan in June 1989 and his Master of Business Administration (MBA) degree from Cornell University in the United States in May 1996.

Mr. Hsiao holds a minority equity interest in Zhen Ding and Avary Holding.

Mr. WANG Yung-Hsiang (王勇祥), aged 56, was appointed as our non-executive Director on June 25, 2026. He is primarily responsible for providing professional judgment and guidance on strategic development to the Board.

Mr. Wang has extensive experience in investment, private equity and the automotive electronics industry. Since February 2019, Mr. Wang has served as the founding partner and chief executive officer of Phi Capital (卓毅資本), which engages in cross-border mergers and acquisitions and industrial integration investments in sectors including new mobility automotive technology, semiconductors and smart manufacturing. Mr. Wang has served as the chairman of Chao Long Motor Parts Corp. (造隆股份有限公司) since January 2016, where he has been responsible for leading the company's development in vehicle intelligence technologies. Mr. Wang previously served as the managing director of Delphi Automotive Group from 2005 to 2009 and as President (Asia) of the DEG Group from 2010 to 2018. Mr. Wang also served as a non-executive, non-independent director of Nera Telecommunications Ltd from 2025 to 2026, stepping down upon the expiration of his term.

Mr. Wang received his bachelor's degree in electronic engineering from John's University in Chinese Taiwan, formerly known as St. John's and St. Mary's Institute of Technology, in June 1990. Mr. Wang received his Master of Business Administration (MBA) degree from the University of Management and Technology in the United States in December 2012. Mr. Wang has served as a union affairs consultant to the Automotive Electronics Committee of the Taiwan Electrical and Electronic Manufacturers' Association (台灣電子電機同業公會) since May 2013. Mr. Wang has served as the chairman of the Taiwan Industrial Holding Association since August 2025, and was appointed vice chairman of the Taiwan Mergers & Acquisitions and Private Equity Association in November of the same year.

Independent Non-Executive Directors

Dr. CHOU Chih–Chen (周志誠), aged 71, was appointed as our Director on May 13, 2026 and redesignated as an independent non-executive Director on June 25, 2026. He is primarily responsible for supervising and providing independent opinion and judgment to our Board.

Dr. Chou has over 30 years' experience in accounting and finance. He has been the managing partner of WeTec International CPAs since October 1998. He has served as an independent director of Orient Europharma Co., Ltd. (a pharmaceutical company listed on the Taiwan Stock Exchange (stock code: 4120)) and USUN Technology Co., Ltd. since June 2025 and June 2024, respectively. He has been a representative director of Medical Imaging Corporation (醫影股份有限公司) (a medical diagnostic imaging services company listed on the Taiwan Stock Exchange (stock code: 6637)) since May 2021 and a director of Ancang Construction Co., Ltd. (a construction company listed on the Taiwan Stock Exchange (stock code: 5548)) since May 2025.

Previously, Dr. Chou served as an independent director of UltraChip Inc. (a company that is listed on the Taiwan Stock Exchange (stock code: 3141) and is principally engaged in the design and sales of LCD IC driver products) from June 2019 to June 2025, an independent director of Sonix Technology Co., Ltd. (a fabless IC company listed on the Taiwan Stock Exchange (stock code: 5471)) from June 2006 to June 2024, and an independent director of Zhen Ding from June 2011 to May 2023.

Dr. Chou received his bachelor's degree in accounting from National Taiwan University in Chinese Taiwan in June 1977, his master's degree in accounting and master's of laws degree from National Chengchi University in Chinese Taiwan in June 1982 and April 2013, respectively. Dr. Chou received his doctoral degree in economic management (accounting) from Shanghai University of Finance and Economics in the PRC in April 2001.

Dr. Chou is a certified public accountant qualified by the Taipei Certified Public Accountants Association in July 1988 and the Taiwan Certified Public Accountants Association in March 1989, respectively. He holds the qualification certificate for independent directors issued by the Shenzhen Stock Exchange in March 2023. He was appointed as the chairperson of the Taiwan Certified Public Accountants Association from September 2004 to September 2007.

Ms. YU Pei-Pei (余佩佩), aged 62, was appointed as our Director on May 13, 2026 and redesignated as an independent non-executive Director on June 25, 2026. She is primarily responsible for supervising and providing independent opinion and judgment to our Board.

Ms. Yu has been the chairperson and the general manager of Vigor Kobo Co., Ltd. (維格餅家股份有限公司), a bakery and confectionery company that is listed on the Emerging Stock Board of the Taipei Exchange (stock code: 2733), since May 2022 and March 2024. Previously, she served as a partner of Zoyi Capital (卓毅資本) from March 2013 to November 2022. She served as the managing director of Goldman Sachs (Asia) LLC from March 1999 to February 2013.

Ms. Yu has served as an independent director of Cathay Financial Holding Co., Ltd. (a financial services company that is listed on the Taiwan Stock Exchange (stock code: 2882)) since June 2022 and Wistron Corporation (an ODM for information communications technology products that is listed on the Taiwan Stock Exchange (stock code: 3231)) since July 2021.

Ms. Yu received her bachelor's degree in banking from National Chengchi University in Chinese Taiwan in June 1986 and her master's degree in business administration from the University of British Columbia in Canada in May 1990.

Mr. CHEN Jyan-Bang (陳健邦), aged 70, was appointed as our independent non-executive Director on June 25, 2026. He is primarily responsible for supervising and providing independent opinion and judgment to our Board.

Mr. Chen has over 40 years of experience in the semiconductor industry, with extensive experience in technology research and development and senior management of semiconductor companies. Previously, Mr. Chen served at Taiwan Semiconductor Manufacturing Company Limited ("TSMC"), a semiconductor foundry company listed on the Taiwan Stock Exchange (stock code: 2330) and the New York Stock Exchange (stock code: TSM) from 1987 to 2002, with his last position of vice president. From July 1999 to January 2000, Mr. Chen served as the president of TSMC-Acer Semiconductor Manufacturing Corporation (德碁半導體股份有限公司). Previously, Mr. Chen also worked at the Electronic Research Laboratories of the Industrial Technology Research Institute (工業技術研究院電子研究所) as an engineer.

Mr. Chen received his bachelor's degree in physics from National Taiwan University in Chinese Taiwan in 1978 and his master's degree in physics from National Tsing Hua University in Chinese Taiwan in 1980.

Employee Director

Mr. ZHANG Yu (張宇), aged 39, is our employee Director. He joined our Company in August 2022 and currently serves as the chairperson of our labor union and manager of our corporate culture department. He was elected as our employee Director on May 13, 2026.

Mr. Zhang served as the deputy manager of Avary Holding from October 2009 to July 2022, where he was responsible for corporate culture related services.

Mr. Zhang received his master's degree in managerial psychology from the University of Hong Kong in November 2023. In April 2022, Mr. Zhang was awarded the Qinhuangdao May 1st Labor Medal (秦皇島市五一勞動獎章) by Qinhuangdao Federation of Trade Unions (秦皇島市總工會). He was awarded the One of the Thousand Outstanding Village Party Branch Secretaries of Hebei Province (河北省千名好支書) by the Organization Department of the CPC Hebei Provincial Committee (中共河北省委組織部) in June 2022. In April 2026, Mr. Zhang Yu was awarded the National May 1 Labor Medal (全國五一勞動獎章) by the All-China Federation of Trade Unions (中華全國總工會).

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. Our senior management team comprises the following individuals:

Name	Age	Date of joining our Group	Date of appointment as a senior management	Position	Key responsibilities
Mr. LEE Ting-Chuan (李定轉)	58	August 16, 2019	August 16, 2019	Chairperson of the Board, executive Director and general manager	Overall strategic planning, management, business development and operations of our Group
Mr. LAI Yu-Nan (賴育男)	50	April 1, 2021	May 13, 2026	Chief technology officer	Overall management of production and research and development of our Group
Ms. WANG Yuan-Sheng (王元生)	58	May 1, 2021	May 13, 2026	Chief financial officer	Overall management of financial, accounting and tax-related operations of our Group

Mr. LEE Ting–Chuan (李定轉), aged 58, is the chairperson of the Board, our Director and general manager. See "— Board of Directors — Executive Director" for the biography of Mr. Lee.

Mr. LAI Yu–Nan (賴育男), aged 50, joined our Company in April 2021 as an assistant vice president of the business department. He was appointed as our chief technology officer on May 13, 2026. He is primarily responsible for the overall management of production and research and development of our Group.

Mr. Lai has extensive experience in research and development in the semiconductor industry. Prior to joining our Company, Mr. Lai served as the senior director (technology) of Kinsus Interconnect Technology Corporation (a company that is listed on the Taiwan Stock Exchange (stock code: 3189) and is principally engaged in the development and manufacturing of IC substrates) from January 2019 to November 2020. Previously, he also worked at Kinsus Interconnect Technology Corporation from October 2012 to October 2017 with the last position of director (technology). From October 2017, Mr. Lai was the person in charge of Xuanhong International Co., Ltd. (宣鴻國際有限公司), an investment company. From October 1999 to September 2012, Mr. Lai worked at Nan Ya Printed Circuit Board Corporation, a printed circuit board manufacturing company that is listed on the Taiwan Stock Exchange (stock code: 8046) with the last position of deputy plant manager of the Plant 5 administrative office.

Mr. Lai received his bachelor's degree in chemical engineering from Chung Yuan Christian University in Chinese Taiwan in June 1997.

Ms. WANG Yuan–Sheng (王元生), aged 58, is our chief financial officer. She joined our Company in May 2021 as an assistant vice president of our finance division and was appointed as our chief financial officer on May 13, 2026. She also served as our supervisor from September 2022 to May 2026, and served as a supervisor of Leading Qinhuangdao from August 2022 to May 2026. She is responsible for the overall management of financial, accounting and tax-related operations of our Group.

Ms. Wang has extensive experience in finance, accounting and tax and held various senior financial roles in listed corporations prior to joining our Group. Ms. Wang served as the chief financial officer of Zhen Ding from November 2021 to March 2024. She was the chief financial officer of Getac Technology Corporation (a company that is listed on the Taiwan Stock Exchange (stock code: 3005) and is principally engaged in the development of AI-capable rugged mobile technology and intelligent video solutions) from August 2018 to September 2019. She also served as the chief financial officer and spokesperson of Creative Sensor Inc. (a company that is listed on the Taiwan Stock Exchange (stock code: 8249), which is principally engaged in the design, manufacturing and sale of image sensors and related electronic components) from September 2014 to July 2018. During her tenure, Ms. Wang also served as a director of Creative Sensor (USA) Co., a subsidiary of Creative Sensor Inc. From July 2006 to September 2014, Ms. Wang successively served as the senior manager of the accounting department, finance director of the finance division and the director of the business planning and controlling department of Qisda Corporation (an ODM and OEM service provider of electronic products for consumer, commercial, medical and industrial applications that is listed on the Taiwan Stock Exchange (stock code: 2352)).

Ms. Wang received her bachelor's degree in sociology from the National Taiwan University in Chinese Taiwan in June 1990 and her master's degree in finance from the Golden Gate University in San Francisco, U.S. in April 1996.

COMPANY SECRETARY

Ms. Lam Wai Yee Sophie (林慧怡) was appointed as our company secretary on June 8, 2026.

Ms. Lam Wai Yee Sophie is currently a vice president of listed corporate secretarial department at SWCS Corporate Services Group (Hong Kong) Limited and is primarily responsible for company secretarial and compliance services for listed clients. With over 20 years of experience in the company secretarial and compliance profession, Ms. Lam Wai Yee Sophie serves as the company secretary and a joint company secretary of several companies listed on the Main Board of the Stock Exchange.

Ms. Lam Wai Yee Sophie holds a bachelor's degree of arts (honours) in translation and a postgraduate diploma in corporate administration from the City University of Hong Kong. She is a chartered secretary, a chartered governance professional and a fellow of The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute, and holds a practitioner's endorsement from The Hong Kong Chartered Governance Institute.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above:

1. none of our Directors or senior management has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas within the three years immediately preceding the date of this Document;

2. to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders and there was no information relating to our Directors or chief executives that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

3. as of the Latest Practicable Date, none of our Directors or senior management were related to other Directors or senior management of our Company.

Save as disclosed in the sections headed "Substantial Shareholders" and "Appendix V — Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 1. Disclosure of Interests of Directors and Chief Executive of the Company", as of the Latest Practicable Date, none of our Directors held any interest or short position in the Shares or underlying Shares within the meaning of Part XV of the SFO.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 15, 2026 or June 8, 2026 (as the case may be), and (ii) understands his or her obligations as a director of a [REDACTED] under the [REDACTED].

Each independent non-executive Director has confirmed to us (a) his or her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (b) that he or she has no past or present financial or other interest in our business or any connection with any core connected person of our Company and (c) that there are no other factors that may affect his or her independence at the time of his or her appointment.

COMPETITION

Each of our executive and non-executive Directors confirmed that, as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

Our Group has also adopted corporate governance measures which help us to manage any potential conflicts of interest between our Group and our Directors.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

During the Track Record Period, the remuneration of our Directors and senior management was paid in the form of fees, basic salaries, allowances and benefits in kind, contributions to a retirement benefit scheme, and discretionary performance bonus.

The remuneration (including any fees, salaries, allowances, benefits in kind and performance related bonuses, pension scheme contributions and social welfare) paid to our Directors in the three years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 were RMB12.3 million, RMB12.9 million, RMB10.9 million and RMB2.5 million, respectively.

In the three years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, the aggregate amount of remuneration paid to the five highest paid individuals of our Group (among which there was one Director in each relevant period) were RMB9.0 million, RMB9.4 million, RMB9.3 million and RMB2.3 million respectively. During the Track Record Period, no remuneration was paid by us to, or receivable by, our Director, 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 three years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026.

It is estimated that under the arrangements currently in force, the aggregate amount of remuneration (excluding any discretionary bonus) payable to and benefits in kind receivable by our Directors in the year ending December 31, 2026 will be RMB2.5 million.

Save as disclosed above, no other payments had been made, or are payable, by any member of our Group to our Director during the Track Record Period.

For additional information on our Director during the Track Record Period as well as information on the five highest paid individuals, see Note 8 and 9 to the Accountant's Report set out in Appendix I to this Document. See "Appendix V — Statutory and General Information — D. Employee Share Ownership Plan" for details regarding the employee shareholding schemes for our Directors and senior management.

BOARD COMMITTEES

In accordance with relevant PRC laws and regulations, the Articles and the practices in relation to the Corporate Governance Code under the Listing Rules, we have established four board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

We have established the Audit Committee with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting process, risk management and internal control system of our Group. The Audit Committee consists of three members, namely, Dr. CHOU Chih-Chen, Ms. YU Pei-Pei, and Mr. CHEN Jyan-Bang. Dr. CHOU Chih-Chen, being the chairperson of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with terms of reference in compliance with the relevant PRC laws and regulations and Rules 3.25 and 3.26 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendation to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration and Appraisal Committee consists of three members, namely, Dr. CHOU Chih-Chen, Mr. HSIAO Te-Wang, and Ms. YU Pei-Pei, with Dr. CHOU Chih-Chen being the chairperson of the committee.

Nomination Committee

We have established the Nomination Committee with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendation to the Board regarding the appointment of Director and senior management and succession planning for Directors. The Nomination Committee consists of three members, namely, Mr. LEE Ting-Chuan, Ms. YU Pei-Pei, and Mr. CHEN Jyan-Bang, with Mr. LEE Ting-Chuan being the chairperson of the committee.

DIVERSITY

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") with a view to enhance the effectiveness of the Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a wide range of factors, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. Our Directors believe that our board diversity policy is well implemented. Our Board consists of seven Directors spanning a wide range of ages from 38 years old to 71 years old and includes one female Director. Furthermore, our Directors have a balanced mixed of knowledge and skills, including overall management and strategic development, accounting, and financial and investment management, in addition to extensive experience in the semiconductor industry. They obtained degrees in various majors including chemical engineering, science, business administration, banking and accounting, among others. Taking into account our existing business model and specific needs as well as the different background of our Directors, we believe the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for the implementation of the Board Diversity Policy and ensuring its compliance with the Corporate Governance Code. After the [REDACTED], the Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness, and we will disclose in our corporate governance report the implementation results of the Board Diversity Policy annually.

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our Company has only one executive Director who is not, and for the foreseeable future will not be, ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules. Since the principal business operations of our Group are conducted in the PRC, our Company does not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong. We have applied for, and the Stock Exchange [has granted], a waiver from compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. See "Waiver from Strict Compliance with the Listing Rules — Waiver in Relation to Management presence in Hong Kong" for more details.

CORPORATE GOVERNANCE CODE

Our Group is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Group complies or intends to comply with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the [REDACTED]. Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability. Our Group intends to comply with all code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies [REDACTED] are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairperson and chief executive should be segregated and should not be performed by the same individual. Mr. LEE Ting-Chuan currently performs the roles of both chairperson and general manager. Our Board believes that, in view of his experience, personal experience, personal profile and his roles in our Company as mentioned above, Mr. Lee is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business and industry as our general manager. The Board also believes that vesting the roles of both chairperson and chief executive in the same person has the benefit of (i) ensuring consistent leadership within our Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of

the Board, and (iii) facilitating the flow of information between the management and the Board for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review the effectiveness of the Group's corporate governance structure to consider whether it is necessary to separate the roles of chairperson of the Board and the general manager of our Company by taking into account the circumstances of our Group as a whole.

COMPLIANCE ADVISOR

We have appointed Altus Capital Limited as our compliance Advisor (the "**Compliance Advisor**") pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in certain circumstances including: (a) before the publication of any regulatory announcement, circular or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; (c) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where the business activities, developments or results of our Company deviate from any forecast, or other information in this Document; and (d) where the Hong Kong Stock Exchange makes an inquiry to our Company under Rule 13.10 of the Listing Rules.

Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Hong Kong Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The Compliance Advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of appointment of our Compliance Advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB846,544,528, comprising 846,544,528 Domestic Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our total share capital
Domestic Unlisted Shares in Issue	[REDACTED]	[REDACTED]%
H Shares converted from Domestic Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	**[REDACTED]**	**100.00%**

Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately following the completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our total share capital
Domestic Unlisted Shares in Issue	[REDACTED]	[REDACTED]%
H Shares converted from Domestic Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	**[REDACTED]**	**100.00%**

OUR SHARES

Upon completion of the [REDACTED], our Shares will consist of H Shares and Domestic Unlisted Shares. Our H Shares and Domestic Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional [REDACTED] in the PRC, the qualified PRC [REDACTED] under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our [REDACTED] pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural persons of the PRC.

Our H Shares and Domestic Unlisted Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars, RMB or in the form of H Shares.

CONVERSION OF DOMESTIC UNLISTED SHARES INTO H SHARES

All our Domestic Unlisted Shares are not [REDACTED] or [REDACTED] on any [REDACTED]. Holders of our Domestic Unlisted Shares may convert their Domestic Unlisted Shares into H Shares, subject to the relevant regulations as prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas [REDACTED], and the completion of the requisite filing with the securities regulatory authorities of the State Council, including the CSRC. The [REDACTED] of such converted H Shares on the [REDACTED] will also require the approval of the Stock Exchange.

Based on the procedures for the conversion of our Domestic Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Domestic Unlisted Shares on the [REDACTED] as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the [REDACTED] and delivery of Shares for entry on the H Share register. As any [REDACTED] of additional [REDACTED] after our [REDACTED] on the [REDACTED] is ordinarily considered by the [REDACTED] to be a purely administrative matter, it will not require such prior [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Hong Kong Stock Exchange. Any application for [REDACTED] of the converted Shares on the Hong Kong Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Domestic Unlisted Shares will be withdrawn from the Share register, and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the [REDACTED] to [REDACTED]. Registration on our H Share register will be on the condition that (a) our [REDACTED] lodges with the [REDACTED] a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of the H Shares register, and (b) the admission of the H Shares to [REDACTED] on the [REDACTED] will comply with the [REDACTED] Rules and the [REDACTED] and the [REDACTED] in force from time to time. Until the converted Shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within 12 months from the [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》), the domestic shareholders of unlisted shares shall, in accordance with the relevant rules of the CSRC, handle the transfer registration of shares, complete the procedures of share registration and [REDACTED] in accordance with the relevant regulations of the Hong Kong market, and disclose information in accordance with the relevant law and regulations. The [REDACTED] shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSRC of the shares related to the application has been completed.

SHAREHOLDERS' GENERAL MEETINGS

See "Appendix IV — Summary of the Articles of Association" for details of circumstances under which our Shareholders' general meetings are required.

APPROVAL FROM SHAREHOLDERS FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to [REDACTED] and seek the [REDACTED] of [REDACTED] on the [REDACTED]. The Company has obtained such approval at the Shareholders' general meeting held on June 25, 2026.

EMPLOYEE SHARE OWNERSHIP PLAN

See "Appendix V — Statutory and General Information — D. Employee Share Ownership Plan" for details of our Employee Share Ownership Plan.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the following persons will have interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company:

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name	Nature of interest[1]	Number and class of Shares	Approximate percentage of shareholding in our total share capital	Number and class of Shares	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in our total share capital[3]
Zhen Ding	Interest in controlled corporations[4][8]	514,269,899 Domestic Unlisted Shares	60.75%	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]%	[REDACTED]%
Monterey Park	Beneficial owner	413,041,415 Domestic Unlisted Shares	48.79%	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporations[5][8]	101,228,484 Domestic Unlisted Shares	11.96%	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]%	[REDACTED]%
Coppertone	Interest in controlled corporations[6][8]	101,228,484 Domestic Unlisted Shares	11.96%	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]%	[REDACTED]%
Mayco	Interest in controlled corporation[7][8]	101,228,484 Domestic Unlisted Shares	11.96%	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]%	[REDACTED]%
Avary Holding	Beneficial owner	101,228,484 Domestic Unlisted Shares	11.96%	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]%	[REDACTED]%
Homerton Limited	Beneficial owner	57,980,471 Domestic Unlisted Shares	6.85%	[REDACTED]	[REDACTED]%	[REDACTED]%
Noyce Group LP	Interest in controlled corporation[9]	57,980,471 Domestic Unlisted Shares	6.85%	[REDACTED]	[REDACTED]%	[REDACTED]%
Noyce Global Limited	Interest in controlled corporation[9]	57,980,471 Domestic Unlisted Shares	6.85%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Chien Cheng-Chih	Interest in controlled corporation[9]	57,980,471 Domestic Unlisted Shares	6.85%	[REDACTED]	[REDACTED]%	[REDACTED]%
Keble Limited	Beneficial owner	47,849,509 Domestic Unlisted Shares	5.65%	[REDACTED]	[REDACTED]%	[REDACTED]%
Kilby Group LP	Interest in controlled corporation[10]	47,849,509 Domestic Unlisted Shares	5.65%	[REDACTED]	[REDACTED]%	[REDACTED]%
Kilby Global Limited	Interest in controlled corporation[10]	47,849,509 Domestic Unlisted Shares	5.65%	[REDACTED]	[REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name	Nature of interest[1]	Number and class of Shares	Approximate percentage of shareholding in our total share capital	Number and class of Shares	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in our total share capital[3]
Mr. Chang Yu-Chia	Interest in controlled corporation[10]	47,849,509 Domestic Unlisted Shares	5.65%	[REDACTED]	[REDACTED]%	[REDACTED]%
Nuffield Limited	Beneficial owner	30,207,737 Domestic Unlisted Shares	3.57%	[REDACTED]	[REDACTED]%	[REDACTED]%
Merton Group Holdings LP	Interest in controlled corporation[11]	30,207,737 Domestic Unlisted Shares	3.57%	[REDACTED]	[REDACTED]%	[REDACTED]%
Merton Global Limited	Interest in controlled corporation[11]	30,207,737 Domestic Unlisted Shares	3.57%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Lin Huan-Lung	Interest in controlled corporation[11]	30,207,737 Domestic Unlisted Shares	3.57%	[REDACTED]	[REDACTED]%	[REDACTED]%
Pai Vista Ltd.	Beneficial owner	32,027,345 Domestic Unlisted Shares	3.78%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Ho Chen Hsiou	Interest in controlled corporation[12]	32,027,345 Domestic Unlisted Shares	3.78%	[REDACTED]	[REDACTED]%	[REDACTED]%
ASEAME Partners LP	Beneficial owner	30,370,371 Domestic Unlisted Shares	3.59%	[REDACTED]	[REDACTED]%	[REDACTED]%
AchiCapital GP Limited	Interest in controlled corporation[13]	30,370,371 Domestic Unlisted Shares	3.59%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Chen Chu-Wan	Interest in controlled corporation[13]	45,555,556 Domestic Unlisted Shares	5.38%	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on (i) [REDACTED] domestic Unlisted Shares in issue immediately following the completion of the [REDACTED], or (ii) [REDACTED] [REDACTED] to be [REDACTED] immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and [REDACTED] [REDACTED] to be converted from Domestic Unlisted Shares in issue, as the case may be.

(3) The calculation is based on a total of [REDACTED] [REDACTED], consisting of [REDACTED] Domestic Unlisted Shares and [REDACTED] [REDACTED] in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

(4) As of the Latest Practicable Date, (i) Monterey Park and Avary Holding directly held 413,041,415 Shares and 101,228,484 Shares, respectively; (ii) Zhen Ding directly held the entire issued share capital of Monterey Park and indirectly held one-third or more of the issued voting shares in Avary Holding. Zhen Ding is accordingly deemed to be interested in the Shares held by each of Monterey Park and Avary Holding under the SFO.

(5) As of the Latest Practicable Date, Monterey Park indirectly held one-third or more of the issued voting shares in Avary Holding and is therefore deemed to be interested in the Shares held by Avary Holding under the SFO.

(6) As of the Latest Practicable Date, Coppertone indirectly held one-third or more of the issued voting shares in Avary Holding and is therefore deemed to be interested in the Shares held by Avary Holding under the SFO.

(7) As of the Latest Practicable Date, Mayco directly held one-third or more of the issued voting shares in Avary Holding and is therefore deemed to be interested in the Shares held by Avary Holding under the SFO.

(8) For the specific percentage interest(s) held by such Shareholder in its controlled corporation(s), please refer to the shareholding chart in "Relationship with Our Controlling Shareholders — Our Controlling Shareholders".

(9) As of the Latest Practicable Date, (i) Homerton Limited was held as to 100% by Noyce Group LP; and (ii) the general partner of Noyce Group LP was Noyce Global Limited, which was in turn owned as to 100% by Mr. Chien Cheng-Chih. Each of Noyce Group LP, Noyce Global Limited and Mr. Chien Cheng-Chih is accordingly deemed to be interested in the Shares held by Homerton Limited under the SFO.

(10) As of the Latest Practicable Date, (i) Keble Limited is held as to 100% by Kilby Group LP; (ii) the general partner of Kilby Group LP is Kilby Global Limited, which is in turn owned as to 100% by Mr. Chang Yu-Chia. Each of Kilby Group LP, Kilby Global Limited and Mr. CHANG Yu-Chia is accordingly deemed to be interested in the Shares held by Keble Limited under the SFO.

(11) As of the Latest Practicable Date, (i) Nuffield Limited is held as to 100% by Merton Group Holdings LP; (ii) the general partner of Merton Group Holdings LP is Merton Global Limited, which is in turn owned as to 100% by Mr. Lin Huan-Lung. Each of Merton Group Holdings LP, Merton Global Limited and Mr. Lin Huan-Lung is accordingly deemed to be interested in the Shares held by Nuffield Limited under the SFO.

(12) As of the Latest Practicable Date, Pai Vista Ltd. is wholly owned by Mr. Ho Chen Hsiou. Mr. Ho Chen Hsiou is accordingly deemed to be interested in the Shares held by Pai Vista Ltd.

(13) As of the Latest Practicable Date, (i) the general partner of ASEAME Partners LP is AchiCapital GP Limited, which is controlled by Mr. Chen Chu-Wan, who also controls the sole shareholder of Sarka Investments Limited; and (ii) Sarka Investments Limited is ultimately controlled by Mr. Chen Chu-Wan. As such, pursuant to the SFO, (a) each of AchiCapital GP Limited and Mr. Chen Chu-Wan is deemed to be interested in the Shares held by ASEAME Partners LP, and (b) Mr. Chen Chu-Wan is accordingly deemed to be interested in the Shares held by each of ASEAME Partners LP and Sarka Investments Limited.

For the specific percentage interest(s) held by such Shareholder in its controlled corporation(s), please refer to the shareholding chart in "Relationship with Our Controlling Shareholders — Our Controlling Shareholders".

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information, included in the Accountant's Report in Appendix I to this Document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards. You should read the entire Accountant's Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance 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. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this Document, including the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are an IC substrate provider powered by intelligent manufacturing, focused on the R&D, manufacture and sale of FCBGA, FCCSP, WBCSP and module substrates. Our revenue amounted to RMB1,182.9 million, RMB2,055.5 million, RMB2,828.6 million, RMB540.5 million and RMB923.9 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial performance have been and will continue to be principally affected by the following factors:

Demand from Downstream Applications and Overall Market Conditions

According to Frost & Sullivan, the global IC substrate market is expanding, driven by AI demand, advanced packaging and high-performance chip shipments, with market size expected to grow from US$14.9 billion in 2025 to US$30.3 billion by 2030. At the same time, rising technical barriers and prolonged ramp-up cycle constrain advanced IC substrate supply, resulting in tight supply conditions globally.

Benefiting from increased demand in AI and HPC, smart devices and memory applications during the Track Record Period, our revenue increased rapidly from RMB1,182.9 million in 2023 to RMB2,055.5 million in 2024 and RMB2,828.6 million in 2025, representing a CAGR of 54.6%. Our revenue further increased to RMB923.9 million in the three months ended March 31, 2026, representing a 70.9% growth from the same period in 2025. Any fluctuations in demand across these applications or semiconductor industry cycles may affect our sales volume, ASP and revenue.

Our Production Capacity Expansion and Utilization Rates

We operate in a rapidly growing AI market where production capacity often limits a company's growth potential in the supply chain. Against this backdrop, we strategically anticipated the future capacity needs, and incorporated substantial capacity expansion headroom in our initial plant design. We also adopt the phased equipment installation approach to quickly ramp-up our capacity when our actual orders grow. See "Business — Business Sustainability and Profitability" for more details.

During the Track Record Period, we continued to ramp up the actual output of our FCBGA substrates and FCCSP, WBCSP and module substrates, and our actual output utilization rates increased from 3.5% for FCBGA substrates and 43.8% for FCCSP, WBCSP and module substrates in 2023, to 33.3% and 83.5%, respectively, in the three months ended March 31, 2026. Our depreciation and amortization in cost of sales as a percentage of revenue declined significantly from 35.7% in 2023, to 28.8% in 2024, 23.0% in 2025 and 19.9% in the three months ended March 31, 2026. Our gross margin improved from –42.7% in 2023 to –5.1% in 2024 and turned positive at 3.5% in 2025. This improvement further accelerated in 2026, with gross profit reaching RMB146.6 million and gross margin improving to 15.9% for the three months ended March 31, 2026.

At the same time, capacity expansion requires substantial capital expenditures, which has led to depreciation. As of January 1, 2023, the cost of our property, plant and equipment, right-of-use assets and intangible assets was RMB5,466.1 million. As of December 31, 2023, 2024, 2025 and March 31, 2026, such figure further increased to RMB7,463.3 million, RMB8,421.5 million, RMB8,696.2 million, RMB8,775.1 million, respectively. We plan to expand the production capacity of our Shenzhen Plant 2 and invest in the construction of several new plants in next few years. As capital expenditures increase, depreciation will increase accordingly. As a result, our future revenue and gross profit margin will be affected by our future capital expenditures, depreciation, and production capacity utilization rates. In addition, the pace of production capacity ramp-up is influenced by demand in downstream applications, which will in turn further affect the improvement of our production capacity utilization rates.

Our Ability to Strengthen Relationships with Major Customers and Expand Customer Base

We primarily sell our products through direct sales to global leading customers, including OSAT, IC design and IDM companies, and a substantial portion of our revenue is derived from a limited number of major customers. During the Track Record Period, revenue attributable to our five largest customers accounted for 81.4%, 81.2%, 76.6%, and 68.1% in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, of our total revenue, while revenue attributable to our largest customer accounted for 37.8%, 38.6%, 36.4%, and 29.0%, respectively. Our results of operations depend on our ability to maintain relationships with major customers, increase our allocation share of customer orders, and expand our customer base. Any reduction in orders, changes in customer allocation or sourcing strategies, or weaker demand from our customers may materially affect our revenue, capacity utilization and profitability. We continue to expand our customer base by attracting OSAT, IC design and IDM companies globally.

Raw Material Costs and Supply Chain Management

Our production relies on stable supplies of key raw materials such as ABF, CCL, gold salt, and solder resist. During the Track Record Period, raw material costs accounted for 27.5%, 22.4%, 24.9%, 23.2% and 25.9% of our revenue in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our selling prices have increased in line with rising raw material costs. Prices of raw materials may fluctuate due to market conditions and supply-demand dynamics, while certain materials, such as CCL and ABF, may, from time to time, be subject to industry-wide supply constraints. In addition, the prices of certain raw materials, such as gold and copper, are market-based and therefore

subject to significant fluctuations in international commodity markets. Our results of operations therefore depend on our ability to procure raw materials at competitive prices, manage inventory efficiently, coordinate with and diversify our suppliers, and, where appropriate, pass through changes in raw material costs to our customers, including through agreed price adjustment mechanisms.

Our Investment in Research and Development and Our Product Portfolio

We operate in a technology-intensive industry where customers demand higher-performance and higher-reliability IC substrates. Our ability to continuously invest in research and development, maintain competitive process capabilities and launch new and upgraded products is critical to our operating performance. During the Track Record Period, our research and development expenses were RMB123.4 million, RMB153.8 million and RMB155.8 million in 2023, 2024 and 2025, respectively, and RMB36.8 million and RMB39.2 million in the three months ended March 31, 2025 and 2026, respectively. Our continued investment in R&D enables us to improve manufacturing processes and product reliability, and meet evolving customer requirements. In addition, as our production volume increases and economies of scale are realized, our R&D expenses as a percentage of revenue have declined. During the Track Record Period, our research and development expenses accounted for 10.4%, 7.5%, 5.5%, 6.8% and 4.2% of our revenue in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

In addition, our product portfolio affects our results of operations because different product categories and specifications typically have different manufacturing complexity and profitability profiles. During the Track Record Period, we have maintained stable growth in our FCCSP substrates for smart device applications and continued to expand our FCBGA substrates for AI and HPC and network communication applications. The contribution of FCBGA substrates to our total revenue increased from 10.8% in 2023 to 34.2% in 2025, and further increased to 40.2% in the three months ended March 31, 2026. Our FCCSP substrates product mix also shifted toward higher value-added and higher ASP products. While the ASP of FCBGA substrates is generally higher than that of FCCSP, WBCSP and module substrates, their gross margins were relatively lower during the Track Record Period, primarily due to the higher proportion of depreciation costs relative to revenue. Accordingly, changes in the proportion of sales derived from our product portfolio have affected and are expected to continue to affect our revenue, gross margin and overall profitability.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. The Historical Financial Information has been prepared on a historical cost basis. For the purpose of preparing the Historical Financial Information, all of the new standards, amendments to standards and interpretations that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

We have identified certain accounting policies that are material to the preparation of our financial information. See notes to the relevant financial line items or transactions to the Accountant's Report in Appendix I to this Document for the details of our material accounting policies. 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 judgments in the process of applying our Group's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to our historical financial information are disclosed in Note 4 to the Accountant's Report set out in Appendix I to this Document.

SUMMARY OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth our results of operations in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Revenue	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100.0**	**923,889**	**100.0**
Cost of sales	(1,687,407)	(142.7)	(2,160,992)	(105.1)	(2,728,559)	(96.5)	(574,231)	(106.2)	(777,290)	(84.1)
Gross (loss)/profit	(504,545)	(42.7)	(105,470)	(5.1)	100,063	3.5	(33,705)	(6.2)	146,599	15.9
Selling and marketing expenses	(21,460)	(1.8)	(30,927)	(1.5)	(28,222)	(1.0)	(6,536)	(1.2)	(6,836)	(0.7)
General and administrative expenses	(95,142)	(8.0)	(99,103)	(4.8)	(104,311)	(3.7)	(27,697)	(5.1)	(24,248)	(2.6)
Research and development expenses	(123,389)	(10.4)	(153,814)	(7.5)	(155,821)	(5.5)	(36,820)	(6.8)	(39,217)	(4.2)
Net (provision for)/ reversal of impairment losses on financial assets	(501)	0.0	(798)	0.0	(596)	0.0	245	0.0	(321)	0.0
Other income	18,183	1.5	32,006	1.6	18,315	0.6	5,610	1.0	15,137	1.6
Other gains/(losses) — net	30,383	2.6	29,259	1.4	21,895	0.8	(3,698)	(0.7)	(12,971)	(1.4)
Operating (loss)/profit	(696,471)	(58.9)	(328,847)	(16.0)	(148,677)	(5.3)	(102,601)	(19.0)	78,143	8.5
Finance income	12,626	1.1	8,997	0.4	7,582	0.3	2,198	0.4	1,261	0.1
Finance costs	(155,790)	(13.2)	(206,513)	(10.0)	(210,204)	(7.4)	(56,348)	(10.4)	(23,027)	(2.5)
Finance costs — net	(143,164)	(12.1)	(197,516)	(9.6)	(202,622)	(7.2)	(54,150)	(10.0)	(21,766)	(2.4)
(Loss)/profit before income tax	(839,635)	(71.0)	(526,363)	(25.6)	(351,299)	(12.4)	(156,751)	(29.0)	56,377	6.1
Income tax credit/ (expense)	86,538	7.3	121,291	5.9	22,630	0.8	35,201	6.5	(6,264)	(0.7)
(Loss)/profit for the year/period	**(753,097)**	**(63.7)**	**(405,072)**	**(19.7)**	**(328,669)**	**(11.6)**	**(121,550)**	**(22.5)**	**50,113**	**5.4**

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we use EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures facilitate comparisons of operating performance by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures as an analytical tool has limitations, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets forth a reconciliation of our EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) to (loss)/profit for the year/period in respect of the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
(Loss)/profit for the year/period	(753,097)	(405,072)	(328,669)	(121,550)	50,113
Adjusted:					
Income tax (credit)/expense	(86,538)	(121,291)	(22,630)	(35,201)	6,264
Finance costs - net	143,164	197,516	202,622	54,150	21,766
Depreciation of property, plant and equipment	543,545	665,597	742,157	178,353	197,118
Depreciation of right-of-use assets	3,209	4,423	8,437	1,947	2,244
Amortization of intangible assets	25,572	30,649	25,918	6,973	2,887
EBITDA (non-IFRS measure)	**(124,145)**	**371,822**	**627,835**	**84,672**	**280,392**
Adjusted:					
Share-based compensation expenses	5,534	7,510	10,572	1,861	2,769
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted EBITDA (non-IFRS measure)	**(118,611)**	**379,332**	**638,407**	**86,533**	**285,796**

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

Revenue by Product Category

The following table sets out a breakdown of our revenue by product category, in absolute amounts and as percentages of our total revenue, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000 (Unaudited)*	*(%)*	*RMB'000*	*(%)*
IC Substrates										
FCBGA	128,187	10.8	538,359	26.2	966,610	34.2	181,411	33.6	371,534	40.2
FCCSP	690,680	58.4	1,024,964	49.9	1,102,155	39.0	234,867	43.5	310,718	33.6
WBCSP and module	296,509	25.1	398,612	19.4	606,974	21.5	98,547	18.2	183,048	19.8
Sale of scrap materials and Others[(1)]	67,486	5.7	93,587	4.5	152,883	5.3	25,701	4.7	58,589	6.4
Total	**1,182,862**	**100**	**2,055,522**	**100**	**2,828,622**	**100**	**540,526**	**100**	**923,889**	**100**

Note:

(1) Others primarily include revenue from rental income.

Comparison between three months ended March 31, 2026 and 2025: Our revenue increased by 70.9% from RMB540.5 million in the three months ended March 31, 2025 to RMB923.9 million in the three months ended March 31, 2026, primarily due to (i) a significant increase in sales of FCBGA substrates driven by rising customer demand in AI and HPC applications; (ii) a strong growth in sales of WBCSP and module substrates, benefiting from the increase in customer demand in memory application; and (iii) an increase in sales of FCCSP substrates driven by the gradual shift of product mix toward higher value-added products. In addition, our revenue generated from sales of scrap materials and others increased from RMB25.7 million in the three months ended March 31, 2025 to RMB58.6 million in the

three months ended March 31, 2026, primarily due to (i) an increase in the volume of scrap materials generated during our production process, in line with our increased sales volume of IC substrates, and (ii) an increase in market price of precious metals contained in scrap materials.

Comparison between 2025 and 2024: Our revenue increased by 37.6% from RMB2,055.5 million in 2024 to RMB2,828.6 million in 2025, primarily due to (i) an increase in sales of FCBGA substrates, reflecting the growing demand in AI and HPC applications; and (ii) an increase in sales of WBCSP and module substrates reflecting the growing demand in memory application. In addition, our revenue generated from sales of scrap materials and others increased from RMB93.6 million in 2024 to RMB152.9 million in 2025, primarily due to the increased amount of scrap materials generated during our production process, in line with our increased sales volume of IC substrates.

Comparison between 2024 and 2023: Our revenue increased by 73.8% from RMB1,182.9 million in 2023 to RMB2,055.5 million in 2024, primarily due to the increased orders from customers driven by recovery of the IC substrate market, and our progressive ramp-up of production capacity. In particular, revenue from FCBGA substrates increased substantially from RMB128.2 million in 2023 to RMB538.4 million in 2024, primarily attributable to strong demand from AI and HPC and automotive applications, as well as our successful entry into the supply chains of additional customers by leveraging our technological advantages in high-layer-count and large-size products. Revenue from FCCSP substrates also increased, primarily due to process upgrades of application processors for high-end smartphones and the overall recovery of the smart device market. Our sales of scrap materials and others increased from RMB67.5 million in 2023 to RMB93.6 million in 2024, primarily due to the increase in sales of scrap materials generated during our production processes in line with our increased sales volume of IC substrates.

Revenue by Geographical Location

We have built a geographically diverse and extensive customer base. See "Business — Sales and Marketing" for more details. The following table sets forth our revenue generated from sales of our products by region, based on the customers' places of incorporation, in absolute amounts and as percentages of our total revenue, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Chinese Mainland	429,529	36.3	1,049,891	51.1	1,603,052	56.7	309,324	57.2	526,084	56.9
Offshore										
Chinese Taiwan	714,385	60.4	912,342	44.4	1,079,432	38.2	211,121	39.1	340,200	36.8
Others[(1)]	38,948	3.3	93,289	4.5	146,138	5.1	20,081	3.7	57,605	6.3
Total	**1,182,862**	**100.0**	**2,055,522**	**100.0**	**2,828,622**	**100.0**	**540,526**	**100**	**923,889**	**100.0**

Note:

(1) Others primarily include South Korea, Singapore and United States.

Our revenue generated from Chinese Mainland increased from RMB429.5 million in 2023 to RMB1,049.9 million in 2024 and further increased to RMB1,603.1 million in 2025 and from RMB309.3 million in the three months ended March 31, 2025 to RMB526.1 million in the three months ended March 31, 2026, primarily driven by rapidly rising Chinese Mainland customer demand for our FCBGA and FCCSP substrates.

Our revenue generated from offshore product sales increased from RMB753.3 million in 2023 to RMB1,005.6 million in 2024 and further increased to RMB1,225.6 million in 2025, and from RMB231.2 million in the three months ended March 31, 2025 to RMB397.8 million in the three months ended March 31, 2026, primarily driven by offshore customers rising demand for our FCBGA substrates.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as percentages of our total cost of sales, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Manufacturing overheads[(1)]	704,031	41.7	783,246	36.2	1,022,493	37.5	212,463	37.0	261,291	33.6
Raw material costs	325,416	19.3	460,357	21.3	703,204	25.8	125,448	21.8	239,712	30.8
Depreciation and amortization	422,540	25.0	591,383	27.4	651,254	23.9	155,504	27.1	183,480	23.6
Labor costs	235,420	14.0	326,006	15.1	351,608	12.8	80,816	14.1	92,807	12.0
Total	**1,687,407**	**100**	**2,160,992**	**100**	**2,728,559**	**100**	**574,231**	**100**	**777,290**	**100**

Note:

(1) Manufacturing overheads include production consumables, utility charges, machine maintenance expenses, service fees paid to subcontractors, and product packaging costs.

The following table sets forth a breakdown of our cost of sales by product category in absolute amounts and as percentages of our total cost of sales, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
IC Substrates										
FCBGA	537,509	31.9	681,547	31.5	1,040,961	38.2	230,306	40.1	343,819	44.2
FCCSP	721,383	42.8	865,550	40.1	873,098	32.0	195,409	34.0	198,663	25.6
WBCSP and module	361,902	21.4	521,457	24.1	663,936	24.3	123,354	21.5	176,821	22.7
Sale of scrap materials and Others[(1)]	66,613	3.9	92,438	4.3	150,564	5.5	25,162	4.4	57,987	7.5
Total	**1,687,407**	**100**	**2,160,992**	**100**	**2,728,559**	**100**	**574,231**	**100**	**777,290**	**100**

Comparison between three months ended March 31, 2026 and 2025: Our cost of sales increased by 35.4% from RMB574.2 million in the three months ended March 31, 2025 to RMB777.3 million in the three months ended March 31, 2026, primarily due to (i) increased raw material costs and manufacturing overheads in line with our increased sales of FCBGA substrates, (ii) increased depreciation as a result of the use or acceptance of our production facilities in Shenzhen site, and (iii) increased employee expenses in line with our business expansion.

Comparison between 2025 and 2024: Our cost of sales increased by 26.3% from RMB2,161.0 million in 2024 to RMB2,728.6 million in 2025, primarily due to (i) increased raw material costs and manufacturing overheads in line with our increased sales of FCBGA substrates, (ii) increased depreciation as a result of the use or acceptance of our production facilities in Shenzhen site, and (iii) increased employee expenses in line with our business expansion.

Comparison between 2024 and 2023: Our cost of sales increased by 28.1% from RMB1,687.4 million in 2023 to RMB2,161.0 million in 2024, primarily due to (i) increased raw material costs and manufacturing overheads in line with our increased sales of FCCSP and WBCSP and module substrates, (ii) increased depreciation as a result of the use or acceptance of our production facilities in Shenzhen site, and (iii) increased employee expenses in line with our business expansion.

Gross Loss/Profit and Gross Margin

Our gross loss/profit represents our revenue less our cost of sales, and our gross margin represents gross loss/profit divided by our revenue, expressed as a percentage.

In anticipation of the growth potential of AI-related applications, we proactively expanded production capacity. As a result, during the Track Record Period, our relevant production lines were generally at the ramp-up stage, during which we incurred substantial fixed costs, including depreciation, while production volume and utilization rates were still increasing. As our production scale expanded, customer orders increased and production efficiency improved, these fixed costs were gradually allocated over a larger production base. Depreciation and amortization included in our cost of sales as a percentage of revenue decreased significantly from 35.7% in 2023 to 28.8% in 2024, 23.0% in 2025, and 19.9% for the three months ended March 31, 2026. As a result, our overall gross loss and gross loss margin decreased from 2023 to 2024, and we achieved gross profit and a gross profit margin in 2025 and three months ended March 31, 2026. See "Business — Business Sustainability and Profitability" for more details on how we plan to maintain and increase our gross profit margin.

Gross Loss/Profit and Gross Margin by Product Categories

The following table sets forth a breakdown of our gross loss/profit and gross margin for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross (loss)/ profit	Gross Margin	Gross (loss)/ profit	Gross Margin	Gross (loss)/ profit	Gross Margin	Gross (loss)/ profit	Gross Margin	Gross (loss)/ profit	Gross Margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
IC Substrates										
FCBGA	(409,322)	(319.3)	(143,188)	(26.6)	(74,351)	(7.7)	(48,895)	(27.0)	27,715	7.5
FCCSP	(30,703)	(4.4)	159,414	15.6	229,057	20.8	39,458	16.8	112,055	36.1
WBCSP and module	(65,393)	(22.1)	(122,845)	(30.8)	(56,962)	(9.4)	(24,807)	(25.2)	6,227	3.4
Sale of scrap materials and Others[(1)]	873	1.3	1,149	1.2	2,319	1.5	539	2.1	602	1.0
Total	**(504,545)**	**(42.7)**	**(105,470)**	**(5.1)**	**100,063**	**3.5**	**(33,705)**	**(6.2)**	**146,599**	**15.9**

Note:

(1) We generate revenue from sales of scrap materials, with the corresponding cost of sales equal to such revenue. Accordingly, no gross profit is recognized from scrap material sales. Others primarily include revenue from rental income. The gross profit and gross margin of this line item mainly reflect those from rental income.

We recorded gross loss of RMB504.5 million, RMB105.5 million, and RMB33.7 million in 2023, 2024 and the three months ended March 31, 2025, respectively, and gross profit of RMB100.1 million and RMB146.6 million in 2025 and the three months ended March 31, 2026, respectively.

Comparison between the three months ended March 31, 2026 and 2025: Our gross profit margin increased from negative 6.2% in the three months ended March 31, 2025 to 15.9% in the three months ended March 31, 2026. Such increase of gross profit margin was primarily due to (i) an increase in gross profit margin from FCCSP substrates, mainly attributable to a higher sales proportion of higher-margin substrates for smart device applications and a significant increase in sales volume, which led to a substantial improvement in production capacity utilization rates; (ii) an increase in gross profit margin from WBCSP and module substrates, mainly attributable to a higher sales proportion of higher-margin substrates for memory applications; and (iii) an increase in gross profit margin from FCBGA substrates, mainly attributable to a substantial improvement in production capacity utilization rates.

Comparison between 2025 and 2024: Our gross profit margin increased from negative 5.1% in 2024 to 3.5% in 2025, primarily due to (i) an increase in gross profit margin from FCBGA substrates, mainly attributable to the increase of production capacity utilization rate, and (ii) an increase in gross profit margin from FCCSP, WBCSP and module substrates, as a result of economies of scale from increased production volume and our cost control measures, which helped reduce average product costs, and a higher sales proportion of higher-margin substrates used in smart device and memory applications.

Comparison between 2024 and 2023: Our gross profit margin increased from negative 42.7% in 2023 to negative 5.1% in 2024, primarily due to (i) an increase in gross profit margin from FCBGA substrates, mainly attributable to the commencement of operations at our Shenzhen site in 2023 and the subsequent ramp-up and customer qualification, which led to improved capacity utilization and operational efficiency, as well as a higher proportion of sales of higher-margin substrates for AI and HPC and network communication applications, and (ii) an increase in gross profit margin from FCCSP substrates, as a result of economies of scale from increased production volume and our cost control measures, and a higher sales proportion of higher-margin substrates used in smart device applications. The gross margins of WBCSP substrates were adversely affected by intense market competition.

Selling and Marketing Expenses

Our selling and marketing expenses consist mainly of compensation for our sales and marketing staff, commission fees, travel and entertainment expenses, marketing and business development expenses and insurance fees. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our selling and marketing expenses amounted to RMB21.5 million, RMB30.9 million, RMB28.2 million, RMB6.5 million and RMB6.8 million, representing 1.8%, 1.5%, 1.0%, 1.2% and 0.7%, respectively, of our total revenue.

The following table sets forth a breakdown of our selling and marketing expenses, both in absolute amounts and as percentages of our total selling and marketing expenses, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Employee costs	10,679	49.8	17,574	56.8	19,308	68.4	4,788	73.3	5,168	75.6
Commission fees	7,492	34.9	7,470	24.2	1,198	4.2	259	4.0	330	4.8
Travel and entertainment expenses	1,987	9.3	2,967	9.6	3,271	11.6	346	5.3	490	7.2
Marketing and business development expenses[(1)]	722	3.4	1,422	4.6	2,539	9.0	872	13.3	435	6.4
Insurance fees	405	1.9	734	2.4	763	2.7	126	1.9	146	2.1
Others	175	0.7	760	2.4	1,143	4.1	145	2.2	267	3.9
Total	**21,460**	**100**	**30,927**	**100**	**28,222**	**100**	**6,536**	**100**	**6,836**	**100**

Note:

(1) Marketing and business development expenses include professional service fees and consumables fees.

Comparison between three months ended March 31, 2026 and 2025: Our selling and marketing expenses increased by 4.6% from RMB6.5 million in the three months ended March 31, 2025 to RMB6.8 million in the three months ended March 31, 2026, primarily due to an increase in sales headcount.

Comparison between 2025 and 2024: Our selling and marketing expenses decreased by 8.7% to RMB28.2 million in 2025, primarily due to lower commission fees as we enhanced market understanding and customer coverage and discontinued agent services in Chinese Taiwan.

Comparison between 2024 and 2023: Our selling and marketing expenses increased by 44.1% from RMB21.5 million in 2023 to RMB30.9 million in 2024, primarily due to our business expansion, which resulted in higher employee costs as we increased sales headcount.

General and Administrative Expenses

Our general and administrative expenses consist mainly of compensation for our administrative staff, depreciation and amortization, professional services expenses, property management expenses, and [REDACTED]. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our general and administrative expenses amounted to RMB95.1 million, RMB99.1 million, RMB104.3 million, RMB27.7 million and RMB24.2 million, representing 8.0%, 4.8%, 3.7%, 5.1% and 2.6%, respectively, of our total revenue.

The following table sets forth a breakdown of our administrative expenses, both in absolute amounts and as percentages of our total administrative expenses, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Employee costs	59,919	63.0	54,087	54.6	57,840	55.5	15,965	57.6	14,197	58.6
Depreciation and amortization	17,604	18.5	20,866	21.1	18,176	17.4	5,713	20.6	3,372	13.9
Professional service expenses[(1)]	8,153	8.6	14,236	14.4	18,302	17.6	3,614	13.0	1,489	6.1
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Property management expenses[(2)]	3,362	3.5	4,982	5.0	5,368	5.1	1,474	5.3	1,296	5.3
Others	6,104	6.4	4,932	4.9	4,625	4.4	931	3.5	1,259	5.2
Total	**95,142**	**100**	**99,103**	**100**	**104,311**	**100**	**27,697**	**100**	**24,248**	**100**

Notes:

(1) Professional service expenses include advisors in professional fields such as accountants and lawyers.

(2) Property management expenses include security service fees, maintenance and repair expenses, and greening and environmental protection fees.

Comparison between three months ended March 31, 2026 and 2025: Our general and administrative expenses decreased by 12.5% from RMB27.7 million in the three months ended March 31, 2025 to RMB24.2 million in the three months ended March 31, 2026, primarily due to a decrease in

depreciation and amortization as certain of the Company's computer equipment and related software had reached their estimated useful lives and been fully depreciated and amortized, resulting in no additional depreciation or amortization expenses for such assets during the period.

Comparison between 2025 and 2024: Our general and administrative expenses increased by 5.3% from RMB99.1 million in 2024 to RMB104.3 million in 2025, primarily due to (i) an increase in employee costs resulting from compensation increases; and (ii) an increase in professional service fees relating to the planning and investment of the Shenzhen site.

Comparison between 2024 and 2023: Our general and administrative expenses increased by 4.2% from RMB95.1 million in 2023 to RMB99.1 million in 2024, primarily due to (i) an increase in depreciation and amortization as Shenzhen Plant 1 was progressively completed and accepted by relevant government authorities; and (ii) an increase in professional service expenses incurred in connection with the investment and planning of the office building at Shenzhen site.

Research and Development Expenses

Our research and development expenses consist of compensation for our R&D staff, depreciation and amortization, and pilot production expenses. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB123.4 million, RMB153.8 million, RMB155.8 million, RMB36.8 million and RMB39.2 million, representing 10.4%, 7.5%, 5.5%, 6.8% and 4.2%, respectively, of our total revenue.

The following table sets out a breakdown of our research and development expenses, both in absolute amounts and as percentages of our total research and development expenses, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Employee costs	87,059	70.6	113,477	73.8	112,172	72.0	27,264	74.0	28,457	72.6
Depreciation and amortization	17,513	14.2	19,912	12.9	23,059	14.8	5,254	14.3	5,133	13.1
Pilot production expenses[(1)]	12,513	10.1	12,274	8.0	13,338	8.6	3,119	8.5	3,782	9.6
Others	6,304	5.1	8,151	5.3	7,252	4.6	1,183	3.2	1,845	4.7
Total	**123,389**	**100**	**153,814**	**100**	**155,821**	**100**	**36,820**	**100**	**39,217**	**100**

Note:

(1) Pilot production expenses include consumables expenses, trial products and mold fees.

Comparison between three months ended March 31, 2026 and 2025: Our research and development expenses increased by 6.5% from RMB36.8 million in the three months ended March 31, 2025 to RMB39.2 million in the three months ended March 31, 2026, primarily due to (i) an increase in employee costs resulting from increased R&D headcount, and (ii) an increase in pilot production expenses due to increased consumption of trial samples and materials.

Comparison between 2025 and 2024: Our research and development expenses increased by 1.3% from RMB153.8 million in 2024 to RMB155.8 million in 2025, primarily due to an increase in the number of R&D projects, resulting in a corresponding increase in depreciation and amortization.

Comparison between 2024 and 2023: Our research and development expenses increased by 24.7% from RMB123.4 million in 2023 to RMB153.8 million in 2024, primarily due to (i) an increase in employee costs resulting from increased R&D headcount, and (ii) an increase in investment in R&D equipment resulted in a corresponding increase in depreciation and amortization.

Other Income

Our other income consists of government grants and subsidies related to technological upgrade and investments, interest income on term deposits with initial terms over three months and VAT additional deductions. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our other income amounted to RMB18.2 million, RMB32.0 million, RMB18.3 million, RMB5.6 million and RMB15.1 million, representing 1.5%, 1.6%, 0.6%, 1.0% and 1.6%, respectively, of our total revenue.

The following table sets forth a breakdown of our other income, both in absolute amounts and as a percentage of our total other income for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Government grants and subsidies	18,183	100.0	31,951	99.8	5,631	30.7	5,306	94.6	6,650	43.9
Interest income on term deposits with initial terms over three months	—	—	55	0.2	928	5.1	304	5.4	—	—
VAT additional deduction	—	—	—	—	11,756	64.2	—	—	8,487	56.1
Total	**18,183**	**100.0**	**32,006**	**100.0**	**18,315**	**100.0**	**5,610**	**100.0**	**15,137**	**100.0**

Comparison between three months ended March 31, 2026 and 2025: Our other income increased by 169.8% from RMB5.6 million in the three months ended March 31, 2025 to RMB15.1 million in the three months ended March 31, 2026, primarily due to an increase in VAT additional deduction and government grants.

Comparison between 2025 and 2024: Our other income decreased by 42.8% from RMB32.0 million in 2024 to RMB18.3 million in 2025, primarily due to a decrease in government grants related to investments.

Comparison between 2024 and 2023: Our other income increased by 76.0% from RMB18.2 million in 2023 to RMB32.0 million in 2024, primarily due to an increase in government grants and subsidies related to technological upgrade and investments.

Government grants and subsidies we received during the Track Record Period mainly represent subsidies granted by local governments in the Chinese Mainland. These mainly include support measures for investment, capacity expansion and technological upgrade, in line with relevant supportive policies. Our government grants are typically non-recurring in nature, with no unfulfilled conditions or contingencies attached to them, and the amount of such grants was subject to the discretion of the relevant government authorities.

Other Gains/(Losses), Net

Our other gains or losses primarily consist of net foreign exchange gains or losses, net gains on disposal of underutilized equipment. During the Track Record Period, we recorded other net gains of RMB30.4 million, RMB29.3 million and RMB21.9 million in 2023, 2024 and 2025, respectively, and other net losses of RMB3.7 million and RMB13.0 million in the three months ended March 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our other gains or losses, both in absolute amounts and as a percentage of our total other gains or losses for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Net foreign exchange gains/(losses)	29,396	96.8	28,224	96.5	20,996	95.9	(3,796)	102.7	(12,984)	100.1
Net gains on disposal of property, plant and equipment	318	1.0	759	2.6	1,299	5.9	5	(0.1)	—	—
Others	669	2.2	276	0.9	(400)	(1.8)	93	(2.6)	13	(0.1)
Total	**30,383**	**100.0**	**29,259**	**100.0**	**21,895**	**100.0**	**(3,698)**	**100.0**	**(12,971)**	**100.0**

Finance Costs

Our finance costs consists of interest expenses on bank borrowings that mainly include fixed asset financing and short-term borrowings, interest expenses on loans from related parties for operations, foreign exchange gains or losses, and interest expenses on lease liabilities. The following table sets forth details of our finance costs, both in absolute amounts and as percentages of our total finance income and finance costs, for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
							(Unaudited)			
Interest expenses on bank borrowings	94,681	66.1	120,692	61.2	131,668	65.0	33,338	61.6	32,612	149.9
Interest expenses on loans from related parties	40,543	28.3	73,502	37.2	74,859	36.9	21,699	40.1	15,137	69.5
Foreign exchange losses/(gains)	26,714	18.7	18,262	9.2	3,676	1.8	1,311	2.4	(24,722)	(113.6)
Interest expenses on lease liabilities	13	0.0	6	0.0	1	0.0	—	0.0	—	0.0
Less: Interest income on bank deposits	(12,626)	(8.8)	(8,997)	(4.6)	(7,582)	(3.7)	(2,198)	(4.1)	(1,261)	(5.8)
Amount capitalised in construction in progress of property	(6,161)	(4.3)	(5,949)	(3.0)	—	—	—	—	—	—
Total	**143,164**	**100.0**	**197,516**	**100.0**	**202,622**	**100.0**	**54,150**	**100.0**	**21,766**	**100.0**

Our net finance costs increased by 38.0% from RMB143.2 million in 2023 to RMB197.5 million in 2024 and further increased by 2.6% to RMB202.6 million in 2025, primarily due to an increase in interest expenses on bank borrowings. Our net finance costs decreased from RMB54.2 million in the three months ended March 31, 2025 to RMB21.8 million in the three months ended March 31, 2026, primarily due to foreign exchange gains partially offsetting interest expenses.

Income Tax (Credit)/Expense

During the Track Record Period, we recorded income tax credits of RMB86.5 million, RMB121.3 million and RMB22.6 million in 2023, 2024 and 2025, respectively, and an income tax credit of RMB35.2 million and income tax expense of RMB6.3 million in the three months ended March 31, 2025 and 2026, respectively. The following table sets forth a breakdown of our income tax expense/(credit) for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Current income tax on losses for the period	—	3,965	7,017	3,763	3,887
Deferred income tax	(86,538)	(125,256)	(29,647)	(38,964)	2,377
Total	**(86,538)**	**(121,291)**	**(22,630)**	**(35,201)**	**6,264**

Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise ("**HNTE**") is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. The Company was eligible for preferential tax policies applicable to HNTE and was entitled to a preferential corporate income tax rate of 15% in 2025 and the three months ended March 31, 2026. Leading Qinhuangdao was also eligible for preferential tax policies applicable to HNTEs and was entitled to a preferential corporate income tax rate of 15% in 2024, 2025 and the three months ended March 31, 2026. The income tax rates of Leading Interconnect Hong Kong and its Chinese Taiwan branch are 16.5% and 20%, respectively. See Note 11 to the Accountant's Report in Appendix I to this Document for more details.

During the Track Record Period and as of the Latest Practicable Date, we did not have any disputes or unresolved tax issues with the relevant tax authorities which may have a material adverse impact on our business, financial position and results of operations.

(Loss)/profit for the Year/Period

As a result of the foregoing, our loss for the period decreased by 46.2% from RMB753.1 million in 2023 to RMB405.1 million in 2024 and further decreased by 18.9% to RMB328.7 million in 2025. Our loss for the period turned into a profit of RMB50.1 million for the three months ended March 31, 2026, as compared to a loss of RMB121.6 million for the corresponding period in 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our use of cash was primarily related to our operating activities and capital expenditure. During the Track Record Period, we financed our operations and capital expenditure requirements primarily through a combination of cash generated from our operating activities, bank borrowings, borrowings from related parties and capital injections from our Shareholders. As of March 31, 2026, we had cash and cash equivalents of RMB492.4 million. Our cash and cash equivalents were denominated in USD, RMB, NTD and other currencies. See Note 18 to the Accountant's Report in Appendix I to this Document for more details. Going forward, we believe that our liquidity requirements will be satisfied with a combination of our internal resources, cash flows generated from our operating activities and [REDACTED] from the [REDACTED]. See "— Selected Balance Sheet Items" for discussions of our working capital.

Working Capital Sufficiency

Taking into account the [REDACTED] from the [REDACTED] and the financial resources available to us, including cash and cash equivalents, available bank facilities, cash flows from operating activities and the estimated [REDACTED] from the [REDACTED], our Directors believe that we have sufficient working capital to meet our present requirements and for at least 12 months following the date of this Document.

Cash Flows Analysis

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash generated from operating activities	570,083	144,603	194,793	82,765	120,024
Net cash used in investing activities	(2,661,408)	(1,055,561)	(428,055)	(206,699)	(127,678)
Net cash generated from/ (used in) financing activities	2,228,731	1,161,029	(124,801)	86,055	205,094
Net increase/(decrease) in cash and cash equivalents	137,406	250,071	(358,063)	(37,879)	197,440
Cash and cash equivalents at beginning of the year/ period	269,226	408,386	660,113	660,113	298,199
Foreign exchange impact on cash and cash equivalents	1,754	1,656	(3,851)	(517)	(3,223)
Cash and cash equivalents at end of the year/ period	408,386	660,113	298,199	621,717	492,416

Operating Activities

In the three months ended March 31, 2026, our net cash generated from operating activities was RMB120.0 million, which primarily reflected our profit before income tax of RMB56.4 million, as adjusted by non-cash and non-operating items, primarily including depreciation of property, plant and equipment of RMB197.1 million, net finance costs of RMB21.8 million and provisions for impairment of inventories of RMB18.1 million, partially offset by amortization of deferred income of RMB6.3 million. The amount was further adjusted by changes in working capital, primarily including an increase in trade and other payables of RMB38.1 million and an increase in contract liabilities of RMB5.7 million, partially offset by an increase in inventories of RMB157.4 million and an increase in trade receivables, other receivables and prepayments of RMB66.1 million.

In 2025, our net cash generated from operating activities was RMB194.8 million, which primarily reflected our loss before income tax of RMB351.3 million, as adjusted by non-cash and non-operating items, primarily including depreciation of property, plant and equipment of RMB742.2 million, net finance costs of RMB202.6 million and amortization of intangible assets of RMB25.9 million, partially offset by amortization of deferred income of RMB21.0 million. The amount was further adjusted by changes in working capital, primarily including an increase in trade receivables, other receivables and prepayments of RMB222.3 million and an increase in inventories of RMB209.2 million, together with a decrease in trade and other payables of RMB12.4 million.

In 2024, our net cash generated from operating activities amounted to RMB144.6 million, which primarily reflected our loss before income tax of RMB526.4 million, as adjusted by non-cash and non-operating items, primarily including depreciation of property, plant and equipment of RMB665.6 million, net finance costs of RMB197.5 million and amortization of intangible assets of RMB30.6 million, partially offset by amortization of deferred income of RMB11.2 million. The amount was further adjusted by changes in working capital, primarily including an increase in trade and other payables of RMB29.8 million and an increase in contract liabilities of RMB17.6 million, partially offset by an increase in trade receivables, other receivables and prepayments of RMB176.3 million and an increase in inventories of RMB106.6 million.

In 2023, our net cash generated from operating activities amounted to RMB570.1 million, which primarily reflected our loss before income tax of RMB839.6 million, as adjusted by non-cash and non-operating items, primarily including depreciation of property, plant and equipment of RMB543.5 million, net finance costs of RMB143.2 million and amortization of intangible assets of RMB25.6 million, partially offset by amortization of deferred income of RMB3.1 million. The amount was further adjusted by changes in working capital, primarily including an increase in trade and other payables of RMB434.6 million and a decrease in trade receivables, other receivables and prepayments of RMB304.6 million, partially offset by an increase in inventories of RMB68.8 million.

Investing Activities

In the three months ended March 31, 2026, our net cash used in investing activities was RMB127.7 million, primarily reflecting payments for property, plant and equipment of RMB128.4 million, partially offset by proceeds from disposal of property, plant and equipment of RMB0.8 million.

In 2025, our net cash used in investing activities amounted to RMB428.1 million, which primarily resulted from payments for property, plant and equipment of RMB516.0 million, placement of term deposits of RMB71.7 million and payments for right-of-use assets of RMB27.5 million, partially offset by receipt from maturity of term deposits of RMB93.9 million, proceeds from disposal of property, plant and equipment of RMB59.0 million and government subsidies received for the purchase of property, plant and equipment of RMB34.6 million.

In 2024, our net cash used in investing activities amounted to RMB1,055.6 million, which primarily resulted from payments for property, plant and equipment of RMB1,118.7 million and placement of term deposits of RMB22.0 million, partially offset by government subsidies received for the purchase of property, plant and equipment of RMB71.8 million and proceeds from disposal of property, plant and equipment of RMB14.7 million.

In 2023, our net cash used in investing activities amounted to RMB2,661.4 million, which primarily resulted from payments for property, plant and equipment of RMB2,672.1 million and payments for intangible assets of RMB7.5 million, partially offset by government subsidies received for the purchase of property, plant and equipment of RMB17.8 million and proceeds from disposal of property, plant and equipment of RMB0.4 million.

Financing Activities

In the three months ended March 31, 2026, our net cash generated from financing activities was RMB205.1 million, primarily reflecting proceeds from bank borrowings of RMB503.1 million and proceeds from loans from related parties of RMB347.0 million, partially offset by repayments of loans from related parties of RMB416.1 million, repayments of bank borrowings of RMB172.5 million and interest paid of RMB56.3 million.

In 2025, our net cash used in financing activities amounted to RMB124.8 million, which primarily resulted from repayments of loans from related parties of RMB2,349.2 million, repayments of bank borrowings of RMB1,078.1 million and interest paid of RMB234.4 million, partially offset by proceeds from related parties borrowings of RMB2,291.0 million and proceeds from bank borrowings of RMB1,213.3 million.

In 2024, our net cash generated from financing activities amounted to RMB1,161.0 million, which primarily resulted from proceeds from related parties of RMB1,671.5 million, proceeds from bank borrowings of RMB1,476.7 million, partially offset by repayments of loans from related parties of RMB945.8 million, repayments of bank borrowings of RMB597.5 million, cash paid for acquisition of subsidiaries under common control of RMB299.7 million and interest paid of RMB166.2 million.

In 2023, our net cash generated from financing activities amounted to RMB2,228.7 million, which primarily resulted from capital injection from our shareholders of RMB1,350.3 million, proceeds from bank borrowings of RMB1,140.2 million and proceeds from related parties borrowings of RMB812.9 million, partially offset by repayment of loans from related parties of RMB505.8 million, cash paid for acquisition of subsidiaries under common control of RMB321.7 million, repayments of bank borrowings of RMB135.3 million and interest paid of RMB111.6 million.

SELECTED BALANCE SHEET ITEMS

Net Current Liabilities

The following table sets out our net current liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current assets					
Inventories	221,835	323,665	515,329	654,571	716,028
Trade receivables	348,065	579,118	798,693	883,824	1,057,784
Prepayments, other receivables and other assets	107,660	85,280	71,563	53,384	69,202
Term bank deposit with initial terms over three months	—	22,000	—	—	—
Cash and cash equivalents	408,386	660,113	298,199	492,416	1,320,300
Total current assets	**1,085,946**	**1,670,176**	**1,683,784**	**2,084,195**	**3,163,314**
Current liabilities					
Borrowings	1,121,823	2,590,424	2,510,265	2,735,705	2,916,844
Trade and other payables	1,421,657	1,224,972	1,167,010	1,167,287	1,149,675
Contract liabilities	7,639	25,239	23,907	29,570	100,082
Income tax payable	—	3,877	6,212	9,855	4,003
Lease liabilities-current	443	350	99	24	—
Total current liabilities	**2,551,562**	**3,844,862**	**3,707,493**	**3,942,441**	**4,170,604**
Net current liabilities	**(1,465,616)**	**(2,174,686)**	**(2,023,709)**	**(1,858,246)**	**(1,007,290)**

Our net current liabilities decreased from RMB1,858.2 million as of March 31, 2026 to RMB1,007.3 million as of May 31, 2026, primarily due to the receipt of a capital contribution of RMB904.0 million in May 2026.

Our net current liabilities decreased from RMB2,023.7 million as of December 31, 2025 to RMB1,858.2 million as of March 31, 2026, primarily due to increased cash and cash equivalents and inventory of raw materials.

Our net current liabilities decreased from RMB2,174.7 million as of December 31, 2024 to RMB2,023.7 million as of December 31, 2025, primarily due to a decrease in equipment-related payables.

Our net current liabilities increased from RMB1,465.6 million as of December 31, 2023 to RMB2,174.7 million as of December 31, 2024. Primarily due to an increase in our current liabilities, mainly attributable to higher borrowings from related parties to support the ramp-up of our FCBGA production capacity, partially offset by an increase in our current assets, mainly attributable to increases in cash and cash equivalents, trade receivables and inventories.

Inventories

Our inventories comprise raw materials, work in progress and finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	104,440	131,032	262,473	333,649
Work-in-progress	82,067	121,962	180,481	241,618
Finished goods	69,191	97,974	111,499	125,798
Less: provision for impairment of inventories	(33,863)	(27,303)	(39,124)	(46,494)
Total	**221,835**	**323,665**	**515,329**	**654,571**

Our inventories increased by 27.0% from RMB515.3 million as of December 31, 2025 to RMB654.6 million as of March 31, 2026, primarily due to (i) an increase in raw materials and work-in-progress in line with our expanded production scale and increased sales volume of IC substrates, and (ii) an increase in strategic stockpiling of raw materials in response to tight market supply conditions.

Our inventories increased by 59.2% from RMB323.7 million as of December 31, 2024 to RMB515.3 million as of December 31, 2025, primarily due to (i) an increase in raw materials and work in progress in line with our increased production scale and sales volume, and (ii) an increase in strategic stockpiling of raw materials in response to tight market supply conditions.

Our inventories increased by 45.9% from RMB221.8 million as of December 31, 2023 to RMB323.7 million as of December 31, 2024, primarily due to an increase in raw materials and work-in-progress in line with our expanded production scale and increased sales volume of IC substrate, as well as higher inventory levels in preparation for growing sales orders.

As our production scale expands, our inventory balance correspondingly increases, resulting in a higher provision for impairment of inventories in accordance with our policy.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than six months	231,518	332,839	532,083	659,722
Over six months but less than one year	8,105	9,319	11,947	28,858
More than one year	16,075	8,810	10,423	12,485
Subtotal	**255,698**	**350,968**	**554,453**	**701,065**
Impairment	(33,863)	(27,303)	(39,124)	(46,494)
Total	**221,835**	**323,665**	**515,329**	**654,571**

The following table sets forth the turnover days of our inventories for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Inventory turnover days[(1)]	49	51	61	73

Note:

(1) Inventories turnover days were calculated based on the average of the beginning and ending balances of inventories (before impairment) of a given period divided by the cost of sales for that corresponding period and multiplied by the number of days in the relevant period.

Our inventory turnover days remained relatively stable at 49 days and 51 days in 2023 and 2024, respectively. Inventory turnover days increased from 51 days in 2024 to 61 days in 2025, and further increased to 73 days in the three months ended March 31, 2026, primarily due to increased raw material and work-in-progress strategic stockpiling in anticipation of future sales growth.

As of May 31, 2026, RMB456.9 million, or 65.2% of our inventories as of March 31, 2026 had been utilized or sold.

Trade Receivables

Our trade receivables mainly represented receivables from customers for sales of our products. During the Track Record Period, we generally granted credit periods of 60 to 90 days to our customers, and there was no material difference between the credit periods granted to independent third-party customers and related-party customers. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	349,113	580,857	801,096	886,483
Less: allowance for credit losses	(1,048)	(1,739)	(2,403)	(2,659)
Total	**348,065**	**579,118**	**798,693**	**883,824**

Our trade receivables increased by 66.4% from RMB348.1 million as of December 31, 2023 to RMB579.1 million as of December 31, 2024, further increased by 37.9% to RMB798.7 million as of December 31, 2025, and increased by 10.7% to RMB883.8 million as of March 31, 2026, generally in line with our increased sales volume of IC substrates and revenue growth during the Track Record Period, which was primarily driven by the increasing customer demand for our FCBGA substrates.

The following table sets forth an aging analysis of our trade receivables, based on the invoice date, as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 90 days	340,573	540,742	760,726	858,355
91–180 days	8,331	40,115	39,619	27,851
181–365 days	209	—	751	277
Total	**349,113**	**580,857**	**801,096**	**886,483**

As of December 31, 2023, 2024, 2025 and March 31, 2026, all of our trade receivables were aged within one year based on invoice date.

The following table sets forth our trade receivables turnover days for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Trade receivables turnover days[(1)]	80	83	89	82

Note:

(1) Trade receivables turnover days were calculated based on the average of opening and closing balances of trade receivables (before impairment) for the relevant period, divided by the revenue for the same period and multiplied by the number of days for the relevant period.

Our trade receivables turnover days were 80, 83, 89 and 82 days in 2023, 2024 and 2025 and three months ended March 31, 2026, respectively.

During the Track Record Period, we did not experience any significant losses associated with our trade receivables and the increase in our trade receivables did not have any material adverse impact on our liquidity or cash flows.

As of May 31, 2026, RMB558.8 million, or 63.0% of our total trade receivables as of March 31, 2026, had been settled. We assess the accounts receivable turnover days for the Track Record Period as reasonable, as we did not experience any material recoverability issues based on our historical collection experience. This is also supported by our effective internal controls, including prudent customer credit assessment prior to order acceptance.

Prepayments and Other Assets

The following table sets forth the breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments and other assets				
Prepayments to a related party	2,032	2,583	451	2,755
Prepaid expenses	20,390	11,926	17,868	16,846
Deductible input value-added tax	84,392	38,136	41,593	21,632
Prepayments for purchase of property, plant and equipment	235,151	222,842	170,815	152,550
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	**341,965**	**275,487**	**230,727**	**194,980**
Other receivables				
Due from related parties	—	17,662	10,326	9,689
Receivables for equipment	—	10,984	—	—
Deposits for guarantees	42	3,079	—	—
Others	805	980	1,331	1,299
	847	32,705	11,657	10,988
Less: allowance for credit losses	(1)	(70)	(6)	(34)
Other receivables, net of allowance for credit losses	846	32,635	11,651	10,954
Prepayments, other receivables and other assets	**342,811**	**308,122**	**242,378**	**205,934**

Our prepayments, other receivables and other assets decreased by 15.0% from RMB242.4 million as of December 31, 2025 to RMB205.9 million as of March 31, 2026, primarily due to (i) a decrease in deductible input value-added tax, which represents the net balance of input VAT available for offset against output VAT and is affected by the timing and scale of purchases and sales, and (ii) a decrease in prepayments for purchase of property, plant and equipment, as previously prepaid equipment was transferred to construction in progress and equipment under acceptance upon delivery.

Our prepayments, other receivables and other assets decreased from RMB308.1 million as of December 31, 2024 to RMB242.4 million as of December 31, 2025, primarily due to a decrease in prepayments for purchase of property, plant and equipment, as certain equipment previously prepaid but not yet delivered were transferred to construction in progress and equipment under acceptance upon delivery.

Our prepayments, other receivables and other assets decreased from RMB342.8 million as of December 31, 2023 to RMB308.1 million as of December 31, 2024, primarily due to a decrease in deductible input value-added tax, reflecting the expansion of our sales scale.

Cash and Cash Equivalents

Our cash and cash equivalents amounted to RMB408.4 million, RMB660.1 million, RMB298.2 million and RMB492.4 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

A material portion of our cash and cash equivalents was denominated in U.S. dollars, amounting to RMB146.1 million, RMB194.1 million, RMB169.9 million and RMB187.8 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, representing 35.8%, 29.4%, 57.0% and 38.1% of our total cash and cash equivalents, respectively. Our cash and cash equivalents denominated in RMB amounted to RMB238.0 million, RMB455.6 million, RMB112.9 million and RMB274.8 million, representing 58.3%, 69.0%, 37.9% and 55.8% of our total cash and cash equivalents, respectively. Our cash and cash equivalents denominated in NTD amounted to RMB23.4 million, RMB10.3 million, RMB14.5 million and RMB18.7 million, representing 5.7%, 1.6%, 4.9% and 3.8% of our total cash and cash equivalents, respectively. See Note 18 to the Accountant's Report in Appendix I to this Document for more details.

Trade and Other Payables

As of December 31, 2023, 2024 and 2025 and March 31, 2026, our trade and other payables amounted to RMB1,421.7 million, RMB1,225.0 million, RMB1,167.0 million and RMB1,163.8 million, respectively.

The following table sets forth the breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payable				
Due to third parties	190,232	260,331	397,001	449,686
Due to related parties	—	339	—	2,388
Other payable				
Due to related parties	300,631	2,324	2,063	1,870
Deposits payable	208,927	206,623	209,189	200,193
Construction payable	207,964	347,505	274,090	219,187
Engineering equipment payable	427,351	315,383	193,972	191,397
Salaries, wages and benefits	56,154	60,739	61,537	64,185
Other taxes payable	2,336	1,068	1,200	4,231
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued expense and others	28,062	30,660	27,958	30,318
Total	**1,421,657**	**1,224,972**	**1,167,010**	**1,167,287**

Our trade and other payables remained largely stable, with a slight increase from RMB1,167.0 million as of December 31, 2025 to RMB1,167.3 million as of March 31, 2026.

Our trade and other payables decreased by 4.7% from RMB1,225.0 million as of December 31, 2024 to RMB1,167.0 million as of December 31 2025, mainly due to a decrease in engineering equipment payable and construction payable, as certain engineering equipment and construction projects payments became due and were settled in 2025. Such decrease was partially offset by increases in trade payable in line with rising customer demand.

Our trade and other payables decreased by 13.8% from RMB1,421.7 million as of December 31, 2023 to RMB1,225.0 million as of December 31, 2024, primarily due to a decrease in amounts due to related parties and a decrease in engineering equipment payables, partially offset by an increase in construction payables for the Shenzhen site. The decrease in amounts due to related parties was primarily attributable to repayment of equity investment payables to Monterey Park in 2023. See "History, Development and Corporate Structure — Our Major Subsidiaries" for details.

The following table sets forth an aging analysis of our trade and other payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	799,377	864,386	1,004,137	871,387
One to two years	622,280	99,083	6,905	272,169
More than two years[(1)]	—	261,503	155,968	23,731
Total	**1,421,657**	**1,224,972**	**1,167,010**	**1,167,287**

Note:

(1) The decreases were primarily due to a reduction in equipment payables following acceptance.

The following table sets forth our trade payables turnover days during the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Trade payables turnover days[(1)]	38	38	44	49

Note:

(1) The trade payables turnover days were calculated based on the average of the opening and closing trade payables divided by our total cost of sales for that period and multiplied by the number of days for the relevant year period.

Our trade payables turnover days were 38 days, 38 days and 44 days in 2023, 2024 and 2025, respectively, and increased to 49 days in the three months ended March 31, 2026, primarily due to increased procurement and raw material stockpiling in line with rising customer demand.

Our Directors confirm that we did not have any material defaults in payment of trade payables during the Track Record Period and up to the Latest Practicable Date.

As of May 31, 2026, RMB371 million, or 82% of total trade payables as of March 31, 2026, were settled.

Contract Liabilities

Our contract liabilities mainly arise from advance payments received from customers for sales of products and scrap materials. As of December 31, 2023, 2024 and 2025 and March 31, 2026, our contract liabilities amounted to RMB7.6 million, RMB25.2 million, RMB23.9 million and RMB29.6 million, respectively. The fluctuations in our contract liabilities during the relevant periods were primarily due to changes in the amount of advance payments received from customers.

Non-current Assets/Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	6,052,542	6,260,717	5,810,217	5,691,565
Right-of-use assets	87,460	201,774	220,874	218,628
Intangible assets	55,993	32,661	9,473	7,086
Deferred tax assets	182,278	307,484	337,221	334,802
Prepayments, other receivables and other assets	235,151	222,842	170,815	152,550
Total non-current assets	**6,613,424**	**7,025,478**	**6,548,600**	**6,404,631**
Non-current liabilities				
Borrowings	2,760,429	2,940,836	3,048,129	3,064,326
Lease liabilities	467	97	—	—
Deferred income	19,331	79,937	93,533	87,221
Long-term payables	556,962	383,710	225,413	183,353
Total non-current liabilities	**3,337,189**	**3,404,580**	**3,367,075**	**3,334,900**

Property, Plant and Equipment

Our property, plant and equipment consist of our buildings, machineries, inspection equipment, facility utility and ancillary equipment, construction in progress and equipment under acceptance, and electronic and office equipment. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Buildings	1,853,050	2,333,681	2,290,979	2,257,343
Machineries	1,529,651	1,520,283	1,779,899	1,981,427
Inspection equipment	630,907	489,363	409,825	503,564
Facility utility and ancillary equipment	614,354	532,530	507,798	501,360
Construction in progress and equipment under acceptance	1,384,543	1,364,130	815,919	443,234
Electronic and office equipment	40,037	20,730	5,797	4,637
Total	**6,052,542**	**6,260,717**	**5,810,217**	**5,691,565**

Our property, plant and equipment decreased by 7.2% from RMB6,260.7 million as of December 31, 2024 to RMB5,810.2 million as of December 31, 2025 and further decreased by 2.0% to RMB5,691.6 million as of March 31, 2026, primarily due to accumulated depreciation, partially offset by additions and transfers from construction in progress and equipment under acceptance.

Our property, plant and equipment increased by 3.4% from RMB6,052.5 million as of December 31, 2023 to RMB6,260.7 million as of December 31, 2024, mainly due to the investment in Shenzhen site.

Right-of-Use Assets

Our right-of-use assets primarily consist of land use rights and lease of buildings. The following table sets forth the breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Land use rights	86,566	201,342	193,372	191,541
Lease of buildings	676	368	27,502	27,087
Lease of vehicles	218	64	—	—
Total	**87,460**	**201,774**	**220,874**	**218,628**

Our right-of-use assets decreased by 1.0% from RMB220.9 million as of December 31, 2025 to RMB218.6 million as of March 31, 2026, primarily due to depreciation.

Our right-of-use assets increased by 9.5% from RMB201.8 million as of December 31, 2024 to RMB220.9 million as of December 31, 2025, primarily due to an increase in leased buildings as we leased a plant in 2025.

Our right-of-use assets increased by 130.7% from RMB87.5 million as of December 31, 2023 to RMB201.8 million as of December 31, 2024, primarily due to the acquisition of land use right for the Shenzhen site in 2024.

Intangible Assets

Our intangible assets, which primarily consist of software, decreased by 41.7% from RMB56.0 million as of December 31, 2023 to RMB32.7 million as of December 31, 2024, further decreased by 71.0% to RMB9.5 million as of December 31, 2025 and decreased by 25.2% to RMB7.1 million as of March 31, 2026, primarily due to the amortization of software.

Deferred Tax Assets

Our deferred tax assets, primarily arising from deductible temporary differences and tax losses, increased from RMB182.3 million to RMB307.5 million and RMB337.2 million as of December 31, 2023, 2024 and 2025, respectively, and slightly decreased to RMB334.8 million as of March 31, 2026, primarily reflecting changes in deductible temporary differences and tax losses.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current					
Borrowings	1,121,823	2,590,424	2,510,265	2,735,705	2,916,844
Lease liabilities	443	350	99	24	—
Subtotal	1,122,266	2,590,774	2,510,364	2,735,729	2,916,844
Non-current					
Borrowings	2,760,429	2,940,836	3,048,129	3,064,326	2,995,611
Lease liabilities	467	97	—	—	—
Subtotal	2,760,896	2,940,933	3,048,129	3,064,326	2,995,611
Total	**3,883,162**	**5,531,707**	**5,558,493**	**5,800,055**	**5,912,455**

Borrowings

As of May 31, 2026, our total facilities for bank borrowings amounted to RMB8,502 million, of which RMB3,269 million were unutilized.

Our borrowings, including current and non-current portions, increased from RMB3,882.3 million as of December 31, 2023 to RMB5,531.3 million as of December 31, 2024 and RMB5,558.4 million as of December 31, 2025, RMB5,800.0 million as of March 31, 2026, and further to RMB5,912.5 million as of May 31, 2026, primarily due to additional bank borrowings obtained for the purchase of equipment and the construction of new facilities for our production operations.

Our borrowings were unsecured and mainly consisted of bank loans, fixed asset financing and short-term working capital borrowings, together with shareholder and other related-party loans used for working capital purposes. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities, including current and non-current portions, decreased from RMB0.9 million as of December 31, 2023 to RMB0.4 million as of December 31, 2024 and RMB0.1 million as of December 31, 2025, and further to RMB24,005 as of March 31, 2026, and further to nil as of May 31, 2026, primarily due to the gradual expiration of long-term lease contracts.

Except as discussed above, we did not have material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of May 31, 2026. Our Directors confirm that, except for our repayment of loans from related parties in the aggregate amount of RMB1,407.8 million on June 12, 2026, there has been no material change in our indebtedness since May 31, 2026 and up to the Latest Practicable Date. See "Relationship with Our Controlling Shareholders — Financial Independence" for more details.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025 and March 31, 2026, we did not have any material contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material legal proceedings or reached any settlement in respect of any potential material legal dispute.

CAPITAL EXPENDITURE

We incurred capital expenditures of RMB2,679.5 million, RMB1,120.2 million, RMB544.7 million, RMB150.7 million and RMB128.4 million in 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, respectively, mainly in connection with purchases of items of property, plant and equipment and intangible assets. The decrease in capital expenditures primarily reflected that 2023 and 2024 represented the peak period of plant construction and equipment installation for our production capacity expansion.

The following table sets forth a breakdown of our capital expenditures for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Payments for property, plant and equipment	2,672,068	1,118,674	516,036	150,673	128,431
Payments for right-of-use assets	—	99	27,523	—	—
Payments for intangible assets	7,477	1,392	1,164	—	—
Total	**2,679,545**	**1,120,165**	**544,723**	**150,673**	**128,431**

We expect to fund our future capital expenditures with our operating cash flows as well as with our own funds or other funds raised. We may adjust our capital expenditures for any given period according to our ongoing business needs and in light of market conditions or other factors we believe appropriate.

CAPITAL COMMITMENTS

We had the following capital commitments as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Commitments for acquisition of property, plant and equipment	3,336,203	2,469,144	1,773,453	1,579,912

PROPERTY VALUATION

C&W, an independent valuer, has valued our selected property interest as of April 30, 2026. Details of such valuation are set out in Appendix III to this Document.

The table below sets out the reconciliation between the net book value of our selected property interest as of March 31, 2026 as reflected in our consolidated financial statements included in the Accountant's Report in Appendix I to this document and the market value of such selected property interest as of April 30, 2026 as disclosed in the property valuation report as set forth in Appendix III to this document:

	RMB'000
Net book value of our selected property interest as of March 31, 2026	27,064
Less: Depreciation during the period from April 1, 2026 to April 30, 2026	(114)
Net book value of our selected property interest as of April 30, 2026	26,950
Net valuation surplus	287,050
Valuation of our selected property interest as of April 30, 2026 as set out in the property valuation report in Appendix III to this document	314,000

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other relevant commitments. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging with us.

RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time. See Note 33 to the Accountant's Report in Appendix I to this Document for more details. Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distinct our results of operations or make our historical results not reflective of our future performance.

DIVIDENDS

No dividends have been paid or declared by our Company during the Track Record Period.

We currently expect to retain all future earnings for use in the operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board and subject to our Articles of Association, applicable PRC Company Law, approval by our Shareholders and will depend on a number of factors, including our results of operations, financial conditions, cash requirements and availability, and other factors as the Board may deem relevant at such time. As confirmed by our PRC Legal Advisor, any future after-tax profits that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our after-tax profits to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient after-tax profits to our statutory common reserve fund as described above.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be HK$[REDACTED], representing [REDACTED] of the [REDACTED] from the [REDACTED]) (being the mid-point of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per [REDACTED]), assuming no [REDACTED] are [REDACTED] pursuant to the [REDACTED]. The [REDACTED] consist of (1) [REDACTED], of approximately HK$[REDACTED]; and (2) [REDACTED] expenses of approximately HK$[REDACTED], comprising (i) fees and expenses of the Sole Sponsor, legal advisors and reporting accountant of approximately HK$[REDACTED], and (ii) other fees and expenses of approximately HK$[REDACTED]. Among the total [REDACTED], approximately HK$[REDACTED] is expected to be charged to our consolidated statements of comprehensive income, and approximately HK$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. We incurred HK$[REDACTED] of [REDACTED] during the Track Record Period and the remaining HK$[REDACTED] of [REDACTED] shall be incurred after the Track Record Period. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Revenue growth[1]	N/A	73.8%	37.6%	70.9%
Net profit/(loss) margin	(63.7)%	(19.7)%	(11.6)%	5.4%
EBITDA margin (non-IFRS measure)[2]	(10.5)%	18.1%	22.2%	30.3%
Adjusted EBITDA margin (non-IFRS measure)[3]	(10.0)%	18.5%	22.6%	30.9%

Notes:

(1) The revenue growth for the three months ended March 31, 2026 was calculated by comparing revenue for the three months ended March 31, 2025 and 2026.

(2) Calculated by dividing EBITDA (non-IFRS measure) by revenue for the period multiplied by 100%. See "— Summary of our Consolidated Statements of Profit or Loss — Non-IFRS Measures."

(3) Calculated by dividing adjusted EBITDA (non-IFRS measure) by revenue for the period multiplied by 100%. See "— Summary of our Consolidated Statements of Profit or Loss — Non-IFRS Measures."

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency other than our functional currency. We primarily conduct our operations in the Chinese Mainland, with the majority of our transactions settled in RMB. We also sell to customers in various overseas countries and are exposed to foreign exchange risk, primarily in USD. See Note 3 to the Accountant's Report in Appendix I to this Document for more details.

Cash flow and fair value interest rate risk

Our exposure to changes in interest rates is primarily attributable to our bank borrowings and loans from related parties. Borrowings at variable rates expose us to cash flow interest rate risk, while borrowings at fixed rates expose us to fair value interest rate risk. See Note 3 to the Accountant's Report in Appendix I to this Document for more details.

Credit Risk

We are exposed to credit risk primarily in relation to our trade receivables, other receivables, term bank deposits with initial terms of over three months, and cash and cash equivalents. The carrying amounts of each class of the above financial assets represent our maximum exposure to credit risk in respect of these financial assets. See Note 3 to the Accountant's Report in Appendix I to this Document for more details.

Liquidity Risk

We aim to maintain sufficient cash and cash equivalents and to have access to adequate financing to meet our daily operational needs. See Note 3 to the Accountant's Report in Appendix I to this Document for more details.

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this Document there had been no material adverse change in our financial, operational or prospects since March 31, 2026, being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report set out in Appendix I to this Document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Growth Strategies" for detailed description of our future plans.

[REDACTED]

We estimate the [REDACTED] from the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses paid and payable by us in connection with the [REDACTED], will be approximately HK$[REDACTED], assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per [REDACTED]) and that the [REDACTED] is not exercised.

We currently intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below:

(1) approximately [REDACTED] of the [REDACTED] (or HK$[REDACTED]) will be used to expand our FCBGA production capacity.

According to Frost & Sullivan, from 2025 to 2030, the global IC substrate market is expected to reach US$30.3 billion, representing a CAGR of 15.3%. FCBGA substrate is expected to be the fastest-growing segment within the IC substrate market. From 2025 to 2030, the global market FCBGA demand-supply ratio is expected to rise from 94.7% in 2025 to 104.7% in 2026, surpassing 100% to enter a state of supply shortage, with the gap continuing to widen thereafter and reaching 125.6% in 2030.

As a technology leader in the IC substrate industry, we strategically focus on FCBGA substrates as our future growth driver. Leading customers, when selecting IC substrate production partners like us, would put substantial weight on their partner's capacity ramp-up capabilities. See "Business — Our Competitive Strengths" for more details.

The [REDACTED] to be used to expand our FCBGA capacity will be applied as follows:

(i) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) will be used for the construction of production facilities and related electrical and mechanical installations. In particular,

(A) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the construction of production facilities, including but not limited to specialized production plants and multi-level cleanrooms that are designed to meet the stringent production environmental control requirements for processes such as laser drilling, fine circuit exposure, VCP electroplating, micro ball mounting and 3D visual inspection.

(B) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the related electrical and mechanical installations, including but not limited to plant-wide public utility works, cleanroom air-conditioning systems, terminal power distribution, process gas pipelines and chemical pipelines.

(ii) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) will be used for the purchase of equipment used in the FCBGA production process. In particular,

(A) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the inner-layer traces and drilling stages, including but not limited to equipment for through-hole electroplating, horizontal electroplating, core laser direct imaging exposure and the develop, etch and strip process.

(B) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the outer-layer traces stage. In particular,

(I) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of laser drilling equipment used to drill blind vias and microvia openings on semiconductor substrates, including but not limited to CO2 laser drilling machines and the related automated loading and unloading systems.

(II) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment used in the outer-layer trace formation and electroplating processes. In particular,

(a) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment used for the expansion and automation of outer-layer trace production, including but not limited to ABF lamination equipment, semi-additive process desmear systems, build-up laser direct imaging exposure and development equipment.

(b) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment used for the outer-layer trace electroplating process, including but not limited to semi-additive process chemical copper systems and build-up copper electroplating and plasma treatment systems.

(C) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the solder mask, surface finish and micro-ball attach stages, including but not limited to solder mask lamination, exposure and development systems and micro-ball attach and reflow systems.

(D) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) for the purchase of equipment for the sawing and inspection stage, including but not limited to mass production fixture electrical testing systems, unit electrical testing systems and related automated loading and unloading systems.

(2) approximately [REDACTED]% of the [REDACTED] (or HK$[REDACTED]) will be used for working capital and general corporate purposes.

To the extent that the [REDACTED] from the [REDACTED] are either more or less than the amount assumed for the purposes of the allocations described above, we intend to adjust the allocation of the [REDACTED] to the uses stated above on a pro rata basis.

If any part of our plan does not proceed as intended for reasons such as changes in government policies that render the development of any of our projects not viable, changes in market conditions or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the [REDACTED] to other uses that we consider appropriate and in the best interests of us and our Shareholders as a whole. In such event, we will comply with the applicable requirements under the Listing Rules.

To the extent that the [REDACTED] are not immediately applied towards the purposes outlined above, and insofar as permitted by applicable laws and regulations, we will place the [REDACTED] exclusively in short-term interest-bearing accounts with licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages [I-1] to [I-3], received from the Company's reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200, Accountant's Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[To insert the firm's letterhead] ***[Draft]***

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LEADING INTERCONNECT SEMICONDUCTOR TECHNOLOGY (SHENZHEN) CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[4] to I-[78], which comprises the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 31 March 2026, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 (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-[4] to I-[78] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [*date*] (the "**Document**") in connection with the [REDACTED] of [REDACTED] of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's 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, *Accountant's 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 accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that

gives a true and fair view in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 and 31 March 2026 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended 31 March 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our 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 issued by the International Auditing and Assurance Standards Board ("**IAASB**"). A review 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. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 36 to the Historical Financial Information which states that no dividends have been paid by Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong

[Date]

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 accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] 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

	Note	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	5	1,182,862	2,055,522	2,828,622	540,526	923,889
Cost of sales	8	(1,687,407)	(2,160,992)	(2,728,559)	(574,231)	(777,290)
Gross (loss)/profit		(504,545)	(105,470)	100,063	(33,705)	146,599
Selling and marketing expenses	8	(21,460)	(30,927)	(28,222)	(6,536)	(6,836)
General and administrative expenses	8	(95,142)	(99,103)	(104,311)	(27,697)	(24,248)
Research and development expenses	8	(123,389)	(153,814)	(155,821)	(36,820)	(39,217)
Net (provision for)/reversal of impairment losses on financial assets	3.1(b)	(501)	(798)	(596)	245	(321)
Other income	6	18,183	32,006	18,315	5,610	15,137
Other gains/(losses) — net	7	30,383	29,259	21,895	(3,698)	(12,971)
Operating (loss)/profit		(696,471)	(328,847)	(148,677)	(102,601)	78,143
Finance income	10	12,626	8,997	7,582	2,198	1,261
Finance costs	10	(155,790)	(206,513)	(210,204)	(56,348)	(23,027)
Finance costs — net	10	(143,164)	(197,516)	(202,622)	(54,150)	(21,766)
(Loss)/profit before income tax		(839,635)	(526,363)	(351,299)	(156,751)	56,377
Income tax credit/(expense)	11	86,538	121,291	22,630	35,201	(6,264)
(Loss)/profit for the year/period		(753,097)	(405,072)	(328,669)	(121,550)	50,113
(Loss)/profit for the year/period						
Attributable to:						
Owners of the Company		(753,097)	(405,072)	(328,669)	(121,550)	50,113
(Losses)/earnings per share attributable to the owners of the Company (in RMB)						
— Basic (RMB per share)	12	(1.07)	(0.55)	(0.45)	(0.16)	0.07
— Diluted (RMB per share)	12	(1.07)	(0.55)	(0.45)	(0.16)	0.07

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
(Loss)/profit for the year/period		(753,097)	(405,072)	(328,669)	(121,550)	50,113
Other comprehensive (loss)/income for the year/period, net of tax						
Items that may be reclassified to profit or loss, net of tax						
— Currency translation differences of foreign operations, net of tax		(436)	475	(1,057)	364	787
Total comprehensive (loss)/income for the year/period		(753,533)	(404,597)	(329,726)	(121,186)	50,900
Attributable to:						
Owners of the Company		(753,533)	(404,597)	(329,726)	(121,186)	50,900

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 December			As at 31 March
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	*13*	6,052,542	6,260,717	5,810,217	5,691,565
Right-of-use assets	*14*	87,460	201,774	220,874	218,628
Intangible assets	*15*	55,993	32,661	9,473	7,086
Deferred tax assets	*27*	182,278	307,484	337,221	334,802
Prepayments, other receivables and other assets	*16*	235,151	222,842	170,815	152,550
		6,613,424	7,025,478	6,548,600	6,404,631
Current assets					
Inventories	*19*	221,835	323,665	515,329	654,571
Trade receivables	*17*	348,065	579,118	798,693	883,824
Prepayments, other receivables and other assets	*16*	107,660	85,280	71,563	53,384
Term bank deposit with initial terms over three months	*18(b)*	—	22,000	—	—
Cash and cash equivalents	*18(a)*	408,386	660,113	298,199	492,416
		1,085,946	1,670,176	1,683,784	2,084,195
Total assets		7,699,370	8,695,654	8,232,384	8,488,826
EQUITY					
Paid-in capital	*20*	737,377	737,377	737,656	737,656
Reserves	*21*	1,869,767	1,910,432	1,950,426	1,953,982
Accumulated losses		(796,525)	(1,201,597)	(1,530,266)	(1,480,153)
Total equity		1,810,619	1,446,212	1,157,816	1,211,485
LIABILITIES					
Non-current liabilities					
Borrowings	*25*	2,760,429	2,940,836	3,048,129	3,064,326
Lease liabilities		467	97	—	—
Deferred income	*26*	19,331	79,937	93,533	87,221
Long-term payables	*29*	556,962	383,710	225,413	183,353
		3,337,189	3,404,580	3,367,075	3,334,900
Current liabilities					
Borrowings	*25*	1,121,823	2,590,424	2,510,265	2,735,705
Trade and other payables	*28*	1,421,657	1,224,972	1,167,010	1,167,287
Contract liabilities	*5(c)*	7,639	25,239	23,907	29,570
Income tax payable		—	3,877	6,212	9,855
Lease liabilities		443	350	99	24
		2,551,562	3,844,862	3,707,493	3,942,441
Total liabilities		5,888,751	7,249,442	7,074,568	7,277,341
Total equity and liabilities		7,699,370	8,695,654	8,232,384	8,488,826

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Note	As at 31 December			As at 31 March
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	*13*	4,076,582	4,524,015	4,146,686	4,070,619
Right-of-use assets	*14*	66,022	181,096	200,922	198,860
Intangible assets		35,635	24,036	7,808	5,975
Deferred tax assets		123,597	223,025	238,842	240,716
Prepayments, other receivables and other assets	*16*	228,980	221,704	170,815	150,574
Investments in subsidiaries	*24*	1,130,865	1,133,185	1,137,783	1,138,939
		5,661,681	6,307,061	5,902,856	5,805,683
Current assets					
Inventories	*19*	59,598	161,095	239,172	276,499
Trade receivables	*17*	67,312	239,102	330,906	405,731
Prepayments, other receivables and other assets	*16*	76,387	28,322	19,533	22,304
Cash and cash equivalents	*18(a)*	191,085	367,954	89,898	283,616
		394,382	796,473	679,509	988,150
Total assets		6,056,063	7,103,534	6,582,365	6,793,833
EQUITY					
Paid-in capital	*20*	737,377	737,377	737,656	737,656
Reserves		1,848,919	1,856,430	1,867,002	1,869,770
Accumulated losses		(595,596)	(912,429)	(1,210,542)	(1,209,744)
Total equity		1,990,700	1,681,378	1,394,116	1,397,682
LIABILITIES					
Non-current liabilities					
Borrowings	*25*	1,782,769	2,301,016	2,417,786	2,429,919
Lease liabilities		67	—	—	—
Deferred income	*26*	8,524	72,325	88,903	83,100
Long-term payables	*29*	541,485	380,505	219,625	179,380
		2,332,845	2,753,846	2,726,314	2,692,399
Current liabilities					
Borrowings	*25*	590,464	1,708,253	1,684,785	1,914,535
Trade and other payables	*28*	1,141,590	945,210	774,367	776,894
Contract liabilities		307	14,780	2,783	12,323
Lease liabilities		157	67	—	—
		1,732,518	2,668,310	2,461,935	2,703,752
Total liabilities		4,065,363	5,422,156	5,188,249	5,396,151
Total equity and liabilities		6,056,063	7,103,534	6,582,365	6,793,833

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company			
	Note	**Paid-in capital**	**Reserves**	**Accumulated losses**	**Total equity**
		RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
As at 31 December 2022		590,854	641,344	(42,844)	1,189,354
Business combination under common control	*21, 32*	—	(1,179)	(584)	(1,763)
As at 1 January 2023		590,854	640,165	(43,428)	1,187,591
Comprehensive loss					
Loss for the year		—	—	(753,097)	(753,097)
Currency translation differences		—	(436)	—	(436)
Total comprehensive loss		—	(436)	(753,097)	(753,533)
Transactions with owners					
Capital injection	*20, 21*	146,523	1,203,759	—	1,350,282
Employee benefit paid and exempted by the ultimate holding company	*21*	—	22,462	—	22,462
Share-based payment	*22*	—	5,534	—	5,534
Business combination under common control	*21, 32*	—	(1,717)	—	(1,717)
Total transactions with owners		146,523	1,230,038	—	1,376,561
As at 31 December 2023		737,377	1,869,767	(796,525)	1,810,619
As at 1 January 2024		737,377	1,869,767	(796,525)	1,810,619
Comprehensive loss					
Loss for the year		—	—	(405,072)	(405,072)
Currency translation differences		—	475	—	475
Total comprehensive loss		—	475	(405,072)	(404,597)
Transactions with owners					
Employee benefit paid and exempted by the ultimate holding company	*21*	—	32,680	—	32,680
Share-based payment	*22*	—	7,510	—	7,510
Total transactions with owners		—	40,190	—	40,190
As at 31 December 2024		737,377	1,910,432	(1,201,597)	1,446,212

	Note	Attributable to owners of the Company			
		Paid-in capital	Reserves	Accumulated losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025		737,377	1,910,432	(1,201,597)	1,446,212
Comprehensive loss:					
Loss for the year		—	—	(328,669)	(328,669)
Currency translation differences		—	(1,057)	—	(1,057)
Total comprehensive loss		—	(1,057)	(328,669)	(329,726)
Transactions with owners					
Capital injection	*20*	279	—	—	279
Employee benefit paid and exempted by the ultimate holding company	*21*	—	30,479	—	30,479
Share-based payment	*22*	—	10,572	—	10,572
Total transactions with owners		279	41,051	—	41,330
As at 31 December 2025		737,656	1,950,426	(1,530,266)	1,157,816
As at 1 January 2026		737,656	1,950,426	(1,530,266)	1,157,816
Comprehensive income:					
Profit for the period		—	—	50,113	50,113
Currency translation differences		—	787	—	787
Total comprehensive income		—	787	50,113	50,900
Transactions with owners					
Share-based payment	*22*	—	2,769	—	2,769
As at 31 March 2026		737,656	1,953,982	(1,480,153)	1,211,485
(Unaudited)					
As at 1 January 2025		737,377	1,910,432	(1,201,597)	1,446,212
Comprehensive income:					
Loss for the period		—	—	(121,550)	(121,550)
Currency translation differences		—	364	—	364
Total comprehensive income		—	364	(121,550)	(121,186)
Transactions with owners					
Employee benefit paid and exempted by the ultimate holding company	*21*	—	7,254	—	7,254
Share-based payment	*22*	—	1,861	—	1,861
Total transactions with owners		—	9,115	—	9,115
As at 31 March 2025		737,377	1,919,911	(1,323,147)	1,334,141

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cash flows from operating activities						
Cash generated from operations	*30(a)*	557,471	135,761	191,964	86,569	118,894
Income taxes paid		(14)	(155)	(4,753)	(6,002)	(131)
Interest received from cash and cash equivalent		12,626	8,997	7,582	2,198	1,261
Net cash inflow from operating activities		570,083	144,603	194,793	82,765	120,024
Cash flows from investing activities						
Proceeds from disposal of property, plant and equipment		359	14,739	58,993	15,409	753
Government subsidies received for the purchase of property, plant and equipment		17,778	71,810	34,600	—	—
Payments for property, plant and equipment		(2,672,068)	(1,118,674)	(516,036)	(150,673)	(128,431)
Payments for intangible assets		(7,477)	(1,392)	(1,164)	—	—
Payments for right-of-use assets		—	(99)	(27,523)	—	—
Placement of term deposit		—	(22,000)	(71,739)	(71,739)	—
Receipt from maturity of term deposit		—	—	93,886	—	—
Interest received from term deposit		—	55	928	304	—
Net cash outflow from investing activities		(2,661,408)	(1,055,561)	(428,055)	(206,699)	(127,678)
Cash flows from financing activities						
Capital injection from the Company's shareholders	*20*	1,350,282	—	279	—	—
Cash received for the payment of employee benefit paid and exempted by the ultimate holding company	*21*	—	22,462	32,680	—	—
Proceeds from bank borrowings	*30(c)*	1,140,159	1,476,674	1,213,288	146,656	503,121
Proceeds from loans from related parties	*30(c)*	812,948	1,671,514	2,290,982	787,816	346,967
Repayments of bank borrowings	*30(c)*	(135,252)	(597,506)	(1,078,131)	(241,584)	(172,542)
Repayment of loans from related parties	*30(c)*	(505,790)	(945,775)	(2,349,180)	(538,001)	(416,120)
Cash paid for acquisition of subsidiaries (net of cash acquired) under common control	*24(b), 32*	(321,717)	(299,690)	—	—	—
Interest paid	*30(c)*	(111,569)	(166,181)	(234,370)	(68,718)	(56,257)
Payments of lease liabilities	*30(c)*	(330)	(469)	(349)	(114)	(75)
Net cash inflow/(outflow) from financing activities		2,228,731	1,161,029	(124,801)	86,055	205,094
Net increase/(decrease) in cash and cash equivalents		137,406	250,071	(358,063)	(37,879)	197,440
Cash and cash equivalents at beginning of the year/period	*18(a)*	269,226	408,386	660,113	660,113	298,199
Effects of exchanges on cash and cash equivalents		1,754	1,656	(3,851)	(517)	(3,223)
Cash and cash equivalents at end of the year/period	*18(a)*	408,386	660,113	298,199	621,717	492,416

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (hereinafter referred to as the "**Company**"), was incorporated in the People's Republic of China (the "**PRC**") with limited liability on 26 August 2019. The registered office of the Company is SL11 No. 8, Langdong Road, Yanchuan Community, Yanluo Street, Bao'an District, Shenzhen, Guangdong Province, PRC.

In May 2026, the Company was converted into a joint stock company with limited liabilities under the Company Law of the PRC. The net assets of the Company as at 28 February 2026 ("**the conversion date**") were converted into 737,655,639 ordinary shares with par value of RMB1 each. The excess of net assets over the par value of the shares was credited to the share premium of the Company.

The ultimate parent company is Zhending Technology Holding Co., Ltd. (hereinafter referred to as "**Zhending Holding**").

The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the researching and developing, manufacturing and selling high-end semiconductor packaging substrates (IC substrates) which are core materials in the integrated circuit packaging process (the "**[REDACTED] Business**").

2 BASIS OF PREPARATION

(i) Compliance with IFRS Accounting Standards

The Historical Financial Information of the Group has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

(ii) Going Concern Assumption

As at 31 December 2023, 2024, 2025 and 31 March 2026, the Group's current assets were lower than its current liabilities. Historically, the Group has relied principally on both operational sources of cash and non-operational sources of financing from related-party loans and from bank borrowings to fund its activities.

In view of such circumstance, the directors of the Company have carefully considered the Group's available sources of financing and its operational performance in assessing whether the Group will have sufficient financial sources to continue as a going concern for at least the next twelve months from 31 March 2026. The following plans and measures have been implemented to mitigate the liquidity pressure and to improve the financial position of the Group:

(a) Subsequently in May and June 2026, the Group obtained an aggregate capital injection of RMB1,960,000,002 from certain third-party investors. These funds were mainly used for the purpose of repayment of loans from related parties so as to sustain the Group's continuous operations.

(b) The Group obtained loan facilities with its cooperating banks to secure source of financing from borrowings. As at 31 March 2026, the unutilized bank facilities obtained by the Group amounted to approximately RMB3.5 billion. The directors of the Company express confidence in drawdown from these facilities as needed.

As the result of the above plans and measures, the directors of the Group are of the opinion that the Group has sufficient resources to operate as a going concern. Accordingly, the financial statements are presented on a going concern basis.

(iii) Accounting policies

The accounting policies applied in the preparation of Historical Financial Information or have been consistently applied to the Track Record Period, unless otherwise stated.

Other than those material accounting policies information as disclosed in the Notes to the relevant financial line items or transactions in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 38 to this Historical Financial information.

(iv) Historical cost convention

The Historical Financial Information has been prepared on a historical cost basis.

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.

(v) New and amended standards and interpretations adopted by the Group

In preparation of the Historical Financial Information, all of the new standards, amendments to standards and interpretations that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

(vi) New and amended standards and interpretations not yet adopted by the Group

The following amended standards have been issued but not yet effective for the Track Record Period and not been early adopted by the Group:

Standards and amendments		Effective for annual periods beginning on or after
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

According to the assessment made by the directors of the Group, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of profit or loss.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of profit or loss:

Although the adoption of IFRS 18 will have no impact on the Group's net profit or loss, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit or loss is calculated and reported. From the high-level impact assessment that the Group has performed, the following item might potentially impact operating profit:

— IFRS 18 has specific requirements on the category in which assets generate a return individually and largely independently of other resources. The Group currently recognizes the interest income on term bank deposit with initial terms over three months in other income, there will be a change to present the interest income into investing category which is below operating profit.

Impact on consolidated statement of financial position:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the Notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

— management-defined performance measures; and

— a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statements of profit or loss — this break-down is only required for certain nature expenses; and

— for the first annual period of application of IFRS 18, a reconciliation for each line item in the consolidated statements of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

From a cash flow statement perspective, there will be no changes to its current presentation.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate 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 when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group primarily conducts its operations in the PRC and with majority of activities settled in RMB. The Group also sells to customers in various overseas countries, and is exposed to foreign exchange risk, primarily the United States Dollar ("**USD**").

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have other significant exposure to foreign exchange risk.

The Company and the PRC subsidiary hold USD and Japanese Yen ("**JPY**") as foreign currencies, with the functional currency being RMB. The exposures to foreign currency risk were as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
Dominated in USD:	RMB'000	RMB'000	RMB'000	RMB'000
Foreign currency financial assets:				
— Cash and cash equivalents	61,710	107,157	77,659	82,965
— Trade receivables	263,315	315,687	405,267	451,907
— Other receivables	—	—	414	102
Foreign currency financial liabilities:				
— Borrowings — current	(589,021)	(1,421,755)	(1,114,455)	(1,021,204)
— Borrowings — non current	(366,354)	—	—	—
— Trade and other payables	(92,284)	(84,379)	(168,319)	(194,226)
	(722,634)	(1,083,290)	(799,434)	(680,456)

If RMB had weakened/strengthened by 5% against USD with all other variables held constant, the Group's loss before tax for the year ended 31 December 2023, 2024 and 2025 would have increased/decreased by approximately RMB36,132,000, RMB54,165,000 and RMB39,972,000, respectively, and the Group's profit before tax for the three months ended 31 March 2026 would have decreased/increased by approximately RMB34,023,000.

	As at 31 December			As at 31 March
	2023	2024	2025	2026
Dominated in JPY:	RMB'000	RMB'000	RMB'000	RMB'000
Foreign currency financial assets:				
— Cash and cash equivalents	351	10	728	10,897
Foreign currency financial liabilities:				
— Trade and other payables	(377,663)	(23,648)	(73,690)	(73,528)
	(377,312)	(23,638)	(72,962)	(62,631)

If RMB had weakened/strengthened by 5% against JPY with all other variables held constant, the Group's loss before tax for the year ended 31 December 2023, 2024 and 2025 would have increased/decreased by approximately RMB18,866,000, RMB1,182,000, RMB3,648,000, respectively, and the Group's profit before tax for the three months ended 31 March 2026 would have decreased/increased by approximately RMB3,132,000.

(ii) *Cash flow and fair value interest rate risk*

The Group's exposure to changes in interest rates is mainly attributable to its borrowings from banks and loans from related parties. Borrowings at variable rates expose the Group to cash flow interest rate risk. Whereas borrowings at fixed rates expose the Group to fair value interest rate risk.

The exposures of the Group's borrowings to interest rate changes at the end of the reporting period were as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Floating rate*				
— Bank borrowings	2,646,305	3,246,430	3,286,790	3,513,432
— Related party loans	—	287,536	449,843	581,230
Fixed rate				
— Bank borrowings	253,801	532,844	627,792	731,729
— Related party loans	941,999	1,399,825	1,153,678	935,922
	3,842,105	5,466,635	5,518,103	5,762,313

* The floating interest rates are primarily determined by annually adjusted Loan Prime Rate ("**LPR**") and Secured Overnight Financing Rate ("**SOFR**").

The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate arrangements.

As at 31 December 2023, 2024 and 2025, if interest rates on borrowings at floating rates had been 50 basis points higher/lower with all other variables held constant, the Group's loss before tax for the years would have been higher/lower approximately RMB13,232,000, RMB17,670,000 and RMB18,683,000, respectively, and as at 31 March 2026, the Group's profit before tax for the period would have been lower/higher approximately RMB20,473,000.

(b) ***Credit risk***

The Group is exposed to credit risk primarily in relation to its trade receivables, other receivables, term bank deposit with initial terms over three months and cash and cash equivalents. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) *Risk Management*

To manage this risk arising from term bank deposit with initial terms over three months and cash and cash equivalents, the Group mainly transacts with state-owned banks or other reputable listed banks with high credit rating. There has been no recent history of default in relation to those financial institutions.

For trade receivables, the Group assesses the credit quality and sets credit limits on its customers by taking into account their financial position, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group.

(ii) *Impairment of financial assets*

The Group has following financial assets that are subject to the expected credit loss ("**ECL**") model:

- trade receivables;
- other receivables; and
- cash and cash equivalents and term bank deposit with initial terms over three months.

While cash and cash equivalents and term bank deposit with initial terms over three months are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial as at 31 December 2023, 2024 and 2025 and 31 March 2026.

(1) Trade receivables

The Group applies the IFRS 9 simplified approach to measuring ECL, which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, trade receivables have been assessed on a collective group based on shared credit risk characteristics and aging.

The historical loss rates are determined by reference to the credit rating analysis of respective customers based on adopting the comparable company approach with reference to historical credit loss data of comparable listed companies. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**") and the Producer Price Index ("**PPI**") of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Set out below is the information about credit risk exposure on the Group's trade receivables:

	Less than 3 months	4–6 months	7–12 months	Total
Assessed based on collective:				
As at 31 December 2023				
Expected loss rate	0.30%	0.30%	0.48%	0.30%
Gross carrying amount (RMB'000)	340,573	8,331	209	349,113
Provision for impairment (RMB'000)	(1,022)	(25)	(1)	(1,048)
As at 31 December 2024				
Expected loss rate	0.30%	0.30%	—	0.30%
Gross carrying amount (RMB'000)	540,742	40,115	—	580,857
Provision for impairment (RMB'000)	(1,619)	(120)	—	(1,739)
As at 31 December 2025				
Expected loss rate	0.30%	0.30%	0.27%	0.30%
Gross carrying amount (RMB'000)	760,726	39,619	751	801,096
Provision for impairment (RMB'000)	(2,282)	(119)	(2)	(2,403)
As at 31 March 2026				
Expected loss rate	0.30%	0.30%	0.36%	0.30%
Gross carrying amount (RMB'000)	858,355	27,851	277	886,483
Provision for impairment (RMB'000)	(2,574)	(84)	(1)	(2,659)

The movements of provision for impairment for trade receivables during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 were as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	499	1,048	1,739	2,403
Increase in provision for impairment recognized in profit or loss	509	730	662	297
Currency translation differences	40	(39)	2	(41)
At the end of the year/period	1,048	1,739	2,403	2,659

(2) Other receivables

Impairment on other receivables is provided on the grouping basis with IFRS 9 and is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

As at 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026, other receivables mainly included amount due from related parties, receivables from disposal of equipment, deposits and others, which were classified in Stage 1 due to the fact that counter-parties have a low risk of default and a strong capacity to meet contractual cash flows and the credit risk related to other receivables was insignificant.

(c) ***Liquidity risk***

The Group aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing to meet its daily operations.

The table below analyses the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months from the balance sheet date equal to their carrying amounts in the consolidated statements of financial position, as the impact of discounting is not significant.

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023					
Borrowings (including interests)	1,254,341	664,801	858,577	1,752,362	4,530,081
Trade and other payables (excluding accrued salaries, wages, and benefits, and other tax payables)	1,363,167	—	—	—	1,363,167
Long-term payables	—	176,457	380,505	—	556,962
Lease liabilities	470	375	102	—	947
	2,617,978	841,633	1,239,184	1,752,362	6,451,157

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024					
Borrowings (including interests)	2,740,705	485,360	1,408,513	1,509,090	6,143,668
Trade and other payables (excluding accrued salaries, wages, and benefits, and other tax payables)	1,163,165	—	—	—	1,163,165
Long-term payables	—	164,185	219,525	—	383,710
Lease liabilities	360	97	—	—	457
	3,904,230	649,642	1,628,038	1,509,090	7,691,000

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025					
Borrowings (including interests)	2,652,406	870,033	1,233,278	1,287,826	6,043,543
Trade and other payables (excluding accrued salaries, wages, and benefits, and other tax payables)	1,104,273	—	—	—	1,104,273
Long-term payables	—	202,068	23,345	—	225,413
Lease liabilities	100	—	—	—	100
	3,756,779	1,072,101	1,256,623	1,287,826	7,373,329

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 March 2026					
Borrowings (including interests)	2,878,478	908,026	1,312,734	1,252,301	6,351,539
Trade and other payables (excluding accrued salaries, wages, and benefits, and other tax payables)	1,098,871	—	—	—	1,098,871
Long-term payables	—	183,253	100	—	183,353
Lease liabilities	24	—	—	—	24
	3,977,373	1,091,279	1,312,834	1,252,301	7,633,787

3.2 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023, 2024 and 2025, and the three months ended 31 March 2026.

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	7,699,370	8,695,654	8,232,384	8,488,826
Total liabilities	5,888,751	7,249,442	7,074,568	7,277,341
Debt-to-asset ratio	76%	83%	86%	86%

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Inventory provision

Inventories are stated at the lower of cost and net realizable value. The 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. Even though the management of the Group has made the best estimate about the loss from inventory write-down predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

(b) Impairment of non-financial assets

At each balance sheet date, the Group assesses the recoverable amounts of those assets where there are any impairment indications. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is calculated for the cash-generating unit to which the asset belongs only where the recoverable amount for the individual asset cannot be identified. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(c) Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives, and actual residual values may differ from estimated residual values. Periodic reviews could result in a change in useful lives and residual values and therefore, changes in recognized expenses in the future periods.

(d) Income taxes and deferred income tax

There are certain transactions and calculations for which the ultimate tax determinations are uncertain during the ordinary course of business. The Group is subject to enterprise income tax in several jurisdictions. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcomes of these matters are 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 determinations are made.

The Group recognizes deferred tax assets based on estimates that is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involved management's judgments and estimations about the timing and the amount of taxable profits of the companies who had tax losses.

As stated in Note 11, the Company and a subsidiary obtained High and New Technology Enterprises ("**HNTE**") status in year 2025 and 2024, respectively. The "HNTE Certificate" is effective for three years. Upon expiration, application for HNTE assessment should be submitted again to the relevant government authorities. Based on the actual condition of the Company and the subsidiary, the Group considers that the Company and the subsidiary are able to obtain the qualification for HNTE in future years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax after related entities obtaining the certificate of HNTE. If the Company and the

subsidiary cannot obtain the qualification for HNTE upon expiration, then the Company and the subsidiary 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 credit/expense.

5 REVENUE AND SEGMENT INFORMATION

The executive director has been identified as the chief of decision maker ("**CODM**"). Management has determined the operating segments based on the operating results reviewed by the executive director, which are used to allocate resources and assess performance.

The Group is principally engaged in the development, manufacturing and sales of various IC substrates and materials. The CODM reviews the operating results of the business as one segment to make decisions about resources to be allocated. Revenue and loss/profit after income tax are the measures reported to the executive director for the purpose of resources allocation and performance assessment.

All of the Group's business and operations are conducted in Chinese Mainland, Hong Kong and Chinese Taiwan, with sales made to customers in Chinese Mainland, Chinese Taiwan and other overseas areas.

(a) Breakdown of revenue

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Timing of revenue recognition — At a point in time					
Sales of IC substrates	1,115,376	1,961,935	2,675,739	514,825	865,300
Sales of scraps and other items	67,486	93,587	152,883	25,701	58,589
	1,182,862	2,055,522	2,828,622	540,526	923,889

The breakdown of revenue by regions based on the location of the customers is set out below:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue from external customers					
Chinese Mainland	429,529	1,049,891	1,603,052	309,324	526,084
Chinese Taiwan	714,385	912,342	1,079,432	211,121	340,200
Other overseas areas	38,948	93,289	146,138	20,081	57,605
	1,182,862	2,055,522	2,828,622	540,526	923,889

(b) Information about major customers

For the Track Record Period, revenue derived from customers who individually accounted for more than 10% of the Group's total revenue is set out below:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Customer A	38%	39%	36%	38%	29%
Customer B	24%	*	*	*	*
Customer C	11%	23%	25%	29%	22%
Customer D	*	11%	*	*	*

* Less than 10% of the Group's revenue.

(c) Contract liabilities

(i) The Group recognized the following contract liabilities related to the contracts with customers:

	At 31 December			At 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	7,639	25,239	23,907	29,570

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying goods or services are yet to be provided.

(ii) ***Revenue recognized in relation to contract liabilities***

The following table shows how much of the revenue recognized during the years ended 31 December 2023, 2024 and 2025, and the three months ended 31 March 2025 and 2026 relates to carried-forward contract liabilities.

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year/period	3,282	7,639	25,239	22,534	20,075

(d) Accounting policies for the Group's principal revenue streams

The Group is principally engaged in the researching and developing, manufacturing and selling IC substrates which are core materials in the integrated circuit packaging process. The Group assesses the goods promised in a contract to identify performance obligations. Each distinct good that an entity promises to transfer is a performance obligation. Where there are multiple promises in a contract, management will need to determine whether goods are distinct, and therefore separate performance obligations.

The following is a description of the accounting policies for the principal revenue streams of the Group:

(i) ***Sales of goods***

Sales are recognized when control of the products has been transferred, being when the products are delivered to the and accepted by customers. The customers have full discretion over the products and the risks of the products have been transferred to the customers. There is no significant financing component in sales contracts with customers.

6 OTHER INCOME

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Government grants *(i)*	18,183	31,951	5,631	5,306	6,650
Value-Added Tax ("**VAT**") additional deduction	—	—	11,756	—	8,487
Interest income on term bank deposit with initial terms over three months	—	55	928	304	—
	18,183	32,006	18,315	5,610	15,137

(i) Government grants provided to the Group are mainly related to financial subsidies received from the local governments in Chinese Mainland.

There were no unfulfilled conditions or contingencies attached to these grants.

7 OTHER GAINS/(LOSSES) — NET

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net gains on disposal of property, plant and equipment	318	759	1,299	5	—
Net foreign exchange gains/(losses)	29,396	28,224	20,996	(3,796)	(12,984)
Others	669	276	(400)	93	13
	30,383	29,259	21,895	(3,698)	(12,971)

8 EXPENSES BY NATURE

The detailed analysis of cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses were as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Changes in inventories of finished goods and work in progress *(Note 19)*	(62,169)	(79,959)	(77,830)	3,421	(86,177)
Raw materials and molds consumed *(Note 19)*	626,854	820,799	1,173,286	200,818	396,575
Employee benefit expenses *(Note 9)*	407,255	516,069	548,561	129,174	144,616
Depreciation of property, plant and equipment *(Note 13)*	543,545	665,597	742,157	178,353	197,118
Depreciation of right-of-use assets *(Note 14)*	3,209	4,423	8,437	1,947	2,244
Amortization of intangible assets *(Note 15)*	25,572	30,649	25,918	6,973	2,887
Impairment of inventories *(Note 19)*	6,082	4,724	17,578	10,002	18,121
Utilities expenses	123,580	141,141	152,815	34,735	44,465
Outsourcing manufacturing costs	27,192	72,574	99,641	16,516	29,045
Repair and maintenance fees	66,600	98,668	140,946	27,534	45,997
Environmental protection expenses	40,624	37,390	37,040	8,201	10,478
Logistics fee	20,232	25,305	31,858	5,083	9,024
Short-term rental expenses *(Note 14)*	3,954	6,711	5,967	1,414	1,418
Auditor remuneration	473	489	588	—	—
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Commission fees	7,492	7,470	1,198	259	330
Traveling expenses	3,848	6,256	5,944	520	823
Packing expenses	6,050	11,230	19,659	2,782	7,097
Others	77,005	75,300	83,150	17,552	20,895
	1,927,398	2,444,836	3,016,913	645,284	847,591

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, wages and bonus	336,742	419,252	437,065	101,236	114,147
Share-based payments expense *(Note 22)*	5,534	7,510	10,572	1,861	2,769
Pension cost — defined contribution plans *(a)*	29,436	39,380	46,605	11,839	13,240
Other social security costs, housing benefits and other employee benefits	35,543	49,927	54,319	14,238	14,460
	407,255	516,069	548,561	129,174	144,616

(a) Defined contribution plans

Employees of the Group in Chinese Mainland participate in employee social insurance plans established in Chinese Mainland, which cover pension, medical and other welfare benefits. The plans are organized and administered by the government authorities. Except for the contributions made to these social insurance plans, the Group has no other

commitments owing to the employees. According to the relevant regulations, the contributions that should be borne by the companies within the Group as required by the above social insurance plans are principally determined based on percentages of the salaries of employees, subject to certain ceilings imposed. These contributions are expensed as incurred.

Employees of the Chinese Taiwan branch of a subsidiary established a defined contribution pension plan (the "**New Plan**") under the Labor Pension Act, covering all regular employees in Chinese Taiwan. Under the New Plan, the Chinese Taiwan branch of a subsidiary contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. Dividends accrued to an employee's individual account under the New Plan are paid either monthly or in a lump sum upon the employee's retirement.

During the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, no forfeited contributions were utilized by the Group to reduce its contributions for the current year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 include 1, 1, 1, 1 and 1 director respectively, whose emoluments are disclosed in the Note 34. The aggregate amounts of emoluments for the remaining 4, 4, 4, 4 and 4 highest paid individuals for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 respectively are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, wages and bonus	5,713	5,864	5,801	1,367	1,423
Share-based payments	3,245	3,253	3,245	800	800
Pension cost — defined contribution plans	48	75	81	18	20
Other social insurances costs, housing benefits and other employee benefits	109	249	209	85	39
	9,115	9,441	9,336	2,270	2,282

The emoluments of the five highest paid individuals except for the director, whose emoluments have been disclosed in Note 34, fell within the following bands:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(Unaudited)	
Emolument bands (in Hong Kong Dollar ("HKD"))					
Nil to 1,000,000	—	—	—	4	4
1,000,001 to 1,500,000	—	—	—	—	—
1,500,001 to 2,000,000	1	—	—	—	—
2,000,001 to 2,500,000	—	2	2	—	—
2,500,001 to 3,000,000	3	1	1	—	—
3,000,001 to 3,500,000	—	1	1	—	—
	4	4	4	4	4

During the Track Record Period, none of the five highest paid individuals waived or has agreed to waive any emoluments, and none of the five highest paid individuals received emoluments from the Group as an inducement to join or upon joining the Group, or as compensation for loss of office.

10 FINANCE COSTS — NET

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Finance income					
Interest income on bank deposit *(a)*	12,626	8,997	7,582	2,198	1,261
Finance costs					
Interest expenses on bank borrowings	(94,681)	(120,692)	(131,668)	(33,338)	(32,612)
Interest expenses on loans from related parties	(40,543)	(73,502)	(74,859)	(21,699)	(15,137)
Foreign exchange (losses)/gains	(26,714)	(18,262)	(3,676)	(1,311)	24,722
Interest expenses on lease liabilities	(13)	(6)	(1)	—	—
Amount capitalised in construction in progress of property	6,161	5,949	—	—	—
	(155,790)	(206,513)	(210,204)	(56,348)	(23,027)
Finance costs — net	(143,164)	(197,516)	(202,622)	(54,150)	(21,766)

(a) Interest income represents interest income from cash and cash equivalents, including bank balances and term bank deposit with initial terms within three months.

11 INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current income tax	—	3,965	7,017	3,763	3,887
Deferred income tax *(Note 27)*	(86,538)	(125,256)	(29,647)	(38,964)	2,377
	(86,538)	(121,291)	(22,630)	(35,201)	6,264

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
(Loss)/profit before income tax	(839,635)	(526,363)	(351,299)	(156,751)	56,377
Tax calculated at respective statutory tax rates	(207,265)	(129,308)	(86,793)	(38,665)	13,451
Impact of change in tax rate	—	22,941	89,223	—	—
Effect of preferential tax rates	—	6,597	33,090	3,569	(4,409)
Super deduction for research and development expenses	(26,026)	(26,617)	(21,619)	(6,255)	(4,548)
Expense not deductible for taxation purposes	8,623	15,009	18,581	6,168	1,770
Recognition of previously unrecognized tax losses	—	(28,430)	(55,023)	—	—
Reversal of previously recognized deferred tax assets on tax losses	65,916	19,636	—	—	—
Tax losses not recognized as deferred tax assets	75,363	—	—	—	—
Others	(3,149)	(1,119)	(89)	(18)	—
	(86,538)	(121,291)	(22,630)	(35,201)	6,264

(a) PRC corporate income tax ("PRC CIT")

The income tax provisions of the Group in respect of its operations in Chinese Mainland were calculated at tax rate of 25% on the assessable loss for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

The Company was eligible for preferential tax policies applicable for the qualification of HNTE and was entitled to a preferential income tax rate of 15% for the year ended 31 December 2025 and 3 months period ended 31 March 2026.

One subsidiary of the Company in Chinese Mainland was eligible for preferential tax policies applicable for the qualification of HNTE and was entitled to a preferential income tax rate of 15% for the years ended 31 December 2024 and 2025 and 3 months period ended 31 March 2026.

(b) Corporate income tax in other jurisdictions

The profits tax rate of the subsidiary in Hong Kong is 8.25% for the estimated assessable profits up to HKD2 million and 16.5% for the estimated assessable profits over HKD2 million. And the income tax rate of the Chinese Taiwan branch of Hong Kong subsidiary is 20%.

(c) Deferred tax assets not recognized

The Group has not recognized any deferred tax assets in respect of the following items:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Tax losses *(i)*	545,395	378,193	—	378,193	—

(i) Tax losses that are not recognized as deferred tax assets will be expired during the relevant periods are analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
2024	60,293	—	—	—	—
2025	—	16,276	—	16,276	—
2026	—	8,666	—	8,666	—
2027	185,454	133,473	—	133,473	—
2028	299,648	219,778	—	219,778	—
Tax losses *(i)*	545,395	378,193	—	378,193	—

As at 31 December 2023, the cumulative tax losses of the Group amounted to approximately RMB545,395,000 which were not recognized as deferred income tax assets based on its forecast of future taxable profits.

As at 31 December 2024 and 31 March 2025, the cumulative tax losses of the Group amounted to approximately RMB378,193,000 which were not recognized as deferred income tax assets. Such decrease compared with 31 December 2023 was due to the change that Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. ("**Leading Qinhuangdao**") has been qualified as the HNTE in November 2024 and accordingly, the carryforward period for its deductible tax losses was extended to 10 years.

As at 31 December 2025 and 31 March 2026, there were no unrecognized deferred income tax assets in relation to cumulative tax losses because the Company has been qualified as the HNTE in December 2025 and accordingly, the carryforward period for its deductible tax losses was extended to 10 years.

The outcome of their actual utilisation may be different from management's estimation.

(d) OECD Pillar Two model rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) (i.e. BEPS 2.0), and various governments around the world have issued, or are in the process of issuing, legislation on this. Pillar Two legislation in Hong Kong, namely the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, has been enacted on 6 June 2025 and the rules take effect from 1 January 2025. Other respective governments of the Group's major operating regions have not substantively enacted the legislation on Pillar Two as of the date of approval of these financial statements. In conjunction with the ultimate holding company of the Group, an assessment was performed on the various regions that the Group has operations and no material exposure was identified during the Track Record Period.

12 (LOSSES)/EARNINGS PER SHARE

(a) Basic

Basic losses/earnings per share are calculated by dividing the loss/profit of the Group attributable to the owners of the Company by weighted average number of ordinary shares outstanding during the Track Record Period.

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(Unaudited)	
(Loss)/profit attributable to owners of the Company (RMB'000)	(753,097)	(405,072)	(328,669)	(121,550)	50,113
Weighted average number of ordinary shares in issue (in thousands)	706,084	737,397	737,564	737,397	737,656
Basic (losses)/earnings per share (expressed in RMB per share)	(1.07)	(0.55)	(0.45)	(0.16)	0.07

As disclosed in Note 1, on 18 May 2026, the Company was converted into a joint stock company and issued 737,655,639 ordinary shares with a par value of RMB1 each. For the purpose of computing basic (losses)/earnings per share, ordinary shares were issued and allotted on 1 January 2023 as if the Company has been converted from a limited liability company into a joint stock company by then.

(b) Diluted

As the Group had no potential ordinary shares outstanding for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, diluted losses/earnings per share for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 are the same as basic losses/earnings per share for the respective years/periods.

13 PROPERTY, PLANT AND EQUIPMENT

The Group

	Inspection equipment	Buildings	Machineries	Electronic and office equipment	Facility utilities and ancillary equipment	Construction in progress and equipment under acceptance	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023							
Cost	589,179	650,861	1,507,816	42,436	335,534	2,208,983	5,334,809
Accumulated depreciation and impairment changes	(109,255)	(65,640)	(504,845)	(6,874)	(22,285)	—	(708,899)
Net book amount	479,924	585,221	1,002,971	35,562	313,249	2,208,983	4,625,910
Year ended 31 December 2023							
Opening net book amount	479,924	585,221	1,002,971	35,562	313,249	2,208,983	4,625,910
Additions	—	—	—	—	—	2,018,739	2,018,739
Transfers *(Note 15)*	297,386	1,363,543	694,663	24,270	414,755	(2,843,179)	(48,562)
Depreciation charge *(Note 8)*	(146,403)	(95,714)	(167,983)	(19,795)	(113,650)	—	(543,545)
Closing net book amount	630,907	1,853,050	1,529,651	40,037	614,354	1,384,543	6,052,542
As at 31 December 2023							
Cost	885,082	2,014,404	2,175,398	66,706	749,837	1,384,543	7,275,970
Accumulated depreciation and impairment changes	(254,175)	(161,354)	(645,747)	(26,669)	(135,483)	—	(1,223,428)
Net book amount	630,907	1,853,050	1,529,651	40,037	614,354	1,384,543	6,052,542
Year ended 31 December 2024							
Opening net book amount	630,907	1,853,050	1,529,651	40,037	614,354	1,384,543	6,052,542
Additions	—	—	—	—	—	1,030,645	1,030,645
Transfers *(Note 14, 15)*	26,385	589,920	232,594	2,650	74,759	(1,051,058)	(124,750)
Disposals	—	—	(31,498)	—	(625)	—	(32,123)
Depreciation charge *(Note 8)*	(167,929)	(109,289)	(210,464)	(21,957)	(155,958)	—	(665,597)
Closing net book amount	489,363	2,333,681	1,520,283	20,730	532,530	1,364,130	6,260,717

	Inspection equipment	Buildings	Machineries	Electronic and office equipment	Facility utilities and ancillary equipment	Construction in progress and equipment under acceptance	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024							
Cost	909,070	2,604,324	2,338,098	69,352	823,135	1,364,130	8,108,109
Accumulated depreciation and impairment changes	(419,707)	(270,643)	(817,815)	(48,622)	(290,605)	—	(1,847,392)
Net book amount	489,363	2,333,681	1,520,283	20,730	532,530	1,364,130	6,260,717
Year ended 31 December 2025							
Opening net book amount	489,363	2,333,681	1,520,283	20,730	532,530	1,364,130	6,260,717
Additions	969	—	778	—	—	330,061	331,808
Transfers *(Note 15)*	106,343	94,438	519,551	3,010	153,233	(878,272)	(1,697)
Disposals	(5,572)	—	(29,454)	—	(3,428)	—	(38,454)
Depreciation charge *(Note 8)*	(181,278)	(137,140)	(231,259)	(17,943)	(174,537)	—	(742,157)
Closing net book amount	409,825	2,290,979	1,779,899	5,797	507,798	815,919	5,810,217
As at 31 December 2025							
Cost	1,009,791	2,698,763	2,782,982	72,150	972,940	815,919	8,352,545
Accumulated depreciation and impairment changes	(599,966)	(407,784)	(1,003,083)	(66,353)	(465,142)	—	(2,542,328)
Net book amount	409,825	2,290,979	1,779,899	5,797	507,798	815,919	5,810,217
Three months ended 31 March 2026							
Opening net book amount	409,825	2,290,979	1,779,899	5,797	507,798	815,919	5,810,217
Additions	—	—	729	—	—	78,237	78,966
Transfers *(Note 15)*	140,764	1,381	265,607	723	41,947	(450,922)	(500)
Depreciation charge *(Note 8)*	(47,025)	(35,017)	(64,808)	(1,883)	(48,385)	—	(197,118)
Closing net book amount	503,564	2,257,343	1,981,427	4,637	501,360	443,234	5,691,565
As at 31 March 2026							
Cost	1,150,555	2,700,144	3,049,318	72,859	1,014,827	443,234	8,430,937
Accumulated depreciation and impairment changes	(646,991)	(442,801)	(1,067,891)	(68,222)	(513,467)	—	(2,739,372)
Net book amount	503,564	2,257,343	1,981,427	4,637	501,360	443,234	5,691,565

(i) Depreciation expenses have been charged to the consolidated statements of profit or loss of the Group as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of sales	523,012	639,663	714,065	171,292	189,663
Research and development expenses	13,303	14,476	17,607	3,932	4,336
General and administrative expenses	7,186	11,414	10,433	3,118	3,105
Selling and marketing expenses	44	44	52	11	14
	543,545	665,597	742,157	178,353	197,118

(ii) All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives as follows:

— Inspection equipment	4–5 years
— Buildings	5–20 years
— Machineries	4–10 years
— Electronic and office equipment	2–5 years
— Facility utilities and ancillary equipment	4–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year during the Track Record 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognized within "other gains/losses — net" included in the consolidated statements of profit or loss.

The Company

	Inspection equipment	Buildings	Machineries	Electronic and office equipment	Facility utilities and ancillary equipment	Construction in progress and equipment under acceptance	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023							
Cost	153,019	—	203,557	22,145	119,196	2,018,892	2,516,809
Accumulated depreciation	(9)	—	(220)	(2,117)	(111)	—	(2,457)
Net book amount	153,010	—	203,337	20,028	119,085	2,018,892	2,514,352
Year ended 31 December 2023							
Opening net book amount	153,010	—	203,337	20,028	119,085	2,018,892	2,514,352
Additions	—	—	—	—	—	1,854,573	1,854,573
Transfers	255,082	1,356,743	555,181	16,881	373,437	(2,590,916)	(33,592)
Depreciation charge	(64,452)	(60,412)	(55,580)	(11,706)	(66,601)	—	(258,751)
Closing net book amount	343,640	1,296,331	702,938	25,203	425,921	1,282,549	4,076,582
As at 31 December 2023							
Cost	408,101	1,356,743	758,738	39,026	492,633	1,282,549	4,337,790
Accumulated depreciation	(64,461)	(60,412)	(55,800)	(13,823)	(66,712)	—	(261,208)
Net book amount	343,640	1,296,331	702,938	25,203	425,921	1,282,549	4,076,582
Year ended 31 December 2024							
Opening net book amount	343,640	1,296,331	702,938	25,203	425,921	1,282,549	4,076,582
Additions	—	—	—	—	—	945,896	945,896
Transfers	20,396	575,477	173,002	1,887	72,025	(967,537)	(124,750)
Disposals	—	—	(11,780)	—	(625)	—	(12,405)
Depreciation charge	(82,150)	(72,637)	(88,030)	(13,403)	(105,088)	—	(361,308)
Closing net book amount	281,886	1,799,171	776,130	13,687	392,233	1,260,908	4,524,015
As at 31 December 2024							
Cost	428,497	1,932,220	922,606	40,918	563,854	1,260,908	5,149,003
Accumulated depreciation	(146,611)	(133,049)	(146,476)	(27,231)	(171,621)	—	(624,988)
Net book amount	281,886	1,799,171	776,130	13,687	392,233	1,260,908	4,524,015

	Inspection equipment	Buildings	Machineries	Electronic and office equipment	Facility utilities and ancillary equipment	Construction in progress and equipment under acceptance	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025							
Opening net book amount	281,886	1,799,171	776,130	13,687	392,233	1,260,908	4,524,015
Additions	—	—	—	—	—	116,381	116,381
Transfers	91,348	10,705	397,759	1,030	132,898	(635,437)	(1,697)
Disposals	(5,573)	—	(46,848)	—	(3,428)	—	(55,849)
Depreciation charge	(94,005)	(97,298)	(111,490)	(11,631)	(121,740)	—	(436,164)
Closing net book amount	273,656	1,712,578	1,015,551	3,086	399,963	741,852	4,146,686
As at 31 December 2025							
Cost	514,272	1,942,925	1,273,517	41,949	693,324	741,852	5,207,839
Accumulated depreciation	(240,616)	(230,347)	(257,966)	(38,863)	(293,361)	—	(1,061,153)
Net book amount	273,656	1,712,578	1,015,551	3,086	399,963	741,852	4,146,686
Three months ended 31 March 2026							
Opening net book amount	273,656	1,712,578	1,015,551	3,086	399,963	741,852	4,146,686
Additions	—	—	—	—	—	46,911	46,911
Transfers	138,576	1,207	231,129	423	27,471	(399,306)	(500)
Disposals	—	—	(2,531)	—	—	—	(2,531)
Depreciation charge	(25,807)	(24,501)	(33,634)	(1,211)	(34,794)	—	(119,947)
Closing net book amount	386,425	1,689,284	1,210,515	2,298	392,640	389,457	4,070,619
As at 31 March 2026							
Cost	652,848	1,944,132	1,502,115	42,372	720,795	389,457	5,251,719
Accumulated depreciation	(266,423)	(254,848)	(291,600)	(40,074)	(328,155)	—	(1,181,100)
Net book amount	386,425	1,689,284	1,210,515	2,298	392,640	389,457	4,070,619

(i) Depreciation expenses have been charged to the statements of profit or loss of the Company as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of sales	252,537	350,314	417,924	99,408	115,160
Research and development expenses	5,628	7,085	8,464	1,804	2,221
General and administrative expenses	586	3,909	9,776	1,372	2,566
	258,751	361,308	436,164	102,584	119,947

14 RIGHT-OF-USE ASSETS

The Group

	Land use rights	Lease of buildings	Lease of vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023				
Cost	95,012	—	460	95,472
Accumulated depreciation	(5,580)	—	(89)	(5,669)
Net book amount	89,432	—	371	89,803
Year ended 31 December 2023				
Opening net book amount	89,432	—	371	89,803
Additions	—	853	—	853
Depreciation charge *(Note 8)*	(2,866)	(190)	(153)	(3,209)
Currency translation differences	—	13	—	13
Closing net book amount	86,566	676	218	87,460
As at 31 December 2023				
Cost	95,012	869	460	96,341
Accumulated depreciation	(8,446)	(193)	(242)	(8,881)
Net book amount	86,566	676	218	87,460
Year ended 31 December 2024				
Opening net book amount	86,566	676	218	87,460
Addition	99	—	—	99
Transfers *(Note 13)*	118,667	—	—	118,667
Depreciation charge *(Note 8)*	(3,990)	(279)	(154)	(4,423)
Currency translation differences	—	(29)	—	(29)
Closing net book amount	201,342	368	64	201,774
As at 31 December 2024				
Cost	213,778	828	460	215,066
Accumulated depreciation	(12,436)	(460)	(396)	(13,292)
Net book amount	201,342	368	64	201,774
Year ended 31 December 2025				
Opening net book amount	201,342	368	64	201,774
Additions	—	27,523	—	27,523
Depreciation charge *(Note 8)*	(7,970)	(403)	(64)	(8,437)
Currency translation differences	—	14	—	14
Closing net book amount	193,372	27,502	—	220,874

	Land use rights	Lease of buildings	Lease of vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025				
Cost	213,778	28,367	460	242,605
Accumulated depreciation	(20,406)	(865)	(460)	(21,731)
Net book amount	193,372	27,502	—	220,874
Three months ended 31 March 2026				
Opening net book amount	193,372	27,502	—	220,874
Depreciation charge *(Note 8)*	(1,831)	(413)	—	(2,244)
Currency translation differences	—	(2)	—	(2)
Closing net book amount	191,541	27,087	—	218,628
As at 31 March 2026				
Cost	213,778	28,339	460	242,577
Accumulated depreciation	(22,237)	(1,252)	(460)	(23,949)
Net book amount	191,541	27,087	—	218,628

Depreciation expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of sales	1,765	2,527	6,412	946	1,285
Research and development expenses	5	6	8	1	2
General and administrative expenses	1,438	1,889	2,016	1,000	957
Selling and marketing expenses	1	1	1	—	—
	3,209	4,423	8,437	1,947	2,244
Interest expenses (included in finance costs)	13	6	1	—	—
Expenses relating to short-term leases (included in cost of sales and general and administrative expenses)	3,954	6,711	5,967	1,414	1,418

The total cash outflows for leases for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 were RMB4,284,000, RMB7,180,000, RMB33,839,000, RMB1,528,000 and RMB1,493,000, respectively.

(i) The Group's leasing activities and how these are accounted for

Lands in the PRC are state-owned. The Group acquired leasehold lands from Chinese Mainland government by one-off prepayment with lease terms of 30 to 50 years. The leasehold lands were classified as "right-of-use assets". The Group also leases offices, buildings and vehicles. The accounting policies of lease please refer to Note 38.15.

The Company

	Land use rights	Lease of buildings	Lease of vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023				
Cost	72,446	—	460	72,906
Accumulated depreciation	(4,226)	—	(89)	(4,315)
Net book amount	68,220	—	371	68,591
Year ended 31 December 2023				
Opening net book amount	68,220	—	371	68,591
Depreciation charge	(2,416)	—	(153)	(2,569)
Closing net book amount	65,804	—	218	66,022
As at 31 December 2023				
Cost	72,446	—	460	72,906
Accumulated depreciation	(6,642)	—	(242)	(6,884)
Net book amount	65,804	—	218	66,022
Year ended 31 December 2024				
Opening net book amount	65,804	—	218	66,022
Addition	99	—	—	99
Transfers *(Note 13)*	118,667	—	—	118,667
Depreciation charge	(3,538)	—	(154)	(3,692)
Closing net book amount	181,032	—	64	181,096
As at 31 December 2024				
Cost	191,212	—	460	191,672
Accumulated depreciation	(10,180)	—	(396)	(10,576)
Net book amount	181,032	—	64	181,096
Year ended 31 December 2025				
Opening net book amount	181,032	—	64	181,096
Addition	—	27,523	—	27,523
Depreciation charge	(7,518)	(115)	(64)	(7,697)
Closing net book amount	173,514	27,408	—	200,922
As at 31 December 2025				
Cost	191,212	27,523	460	219,195
Accumulated depreciation	(17,698)	(115)	(460)	(18,273)
Net book amount	173,514	27,408	—	200,922

	Land use rights	Lease of buildings	Lease of vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Three months ended 31 March 2026				
Opening net book amount	173,514	27,408	—	200,922
Depreciation charge	(1,718)	(344)	—	(2,062)
Closing net book amount	171,796	27,064	—	198,860
As at 31 March 2026				
Cost	173,514	27,408	—	200,922
Accumulated depreciation	(1,718)	(344)	—	(2,062)
Net book amount	171,796	27,064	—	198,860

15 INTANGIBLE ASSETS

The Group

	Software
	RMB'000
As at 1 January 2023	
Cost	35,840
Accumulated amortisation	(9,455)
Net book amount	26,385
Year ended 31 December 2023	
Opening net book amount	26,385
Additions	6,618
Transfers *(Note 13)*	48,562
Amortisation charge *(Note 8)*	(25,572)
Closing net book amount	55,993
As at 31 December 2023	
Cost	91,020
Accumulated amortisation	(35,027)
Net book amount	55,993
Year ended 31 December 2024	
Opening net book amount	55,993
Additions	1,234
Transfers *(Note 13)*	6,083
Amortisation charge *(Note 8)*	(30,649)
Closing net book amount	32,661
As at 31 December 2024	
Cost	98,336
Accumulated amortisation	(65,675)
Net book amount	32,661

	Software
	RMB'000
Year ended 31 December 2025	
Opening net book amount	32,661
Additions	1,030
Transfers *(Note 13)*	1,697
Amortisation charge *(Note 8)*	(25,918)
Currency translation differences	3
Closing net book amount	9,473
As at 31 December 2025	
Cost	101,063
Accumulated amortisation	(91,590)
Net book amount	9,473
Three months ended 31 March 2026	
Opening net book amount	9,473
Transfers *(Note 13)*	500
Amortisation charge *(Note 8)*	(2,887)
Closing net book amount	7,086
As at 31 March 2026	
Cost	101,563
Accumulated amortisation	(94,477)
Net book amount	7,086

Amortisation expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of sales	12,378	16,627	14,740	4,056	1,605
Research and development expenses	4,205	5,394	5,006	1,322	686
General and administrative expenses	8,989	8,628	6,172	1,595	596
	25,572	30,649	25,918	6,973	2,887

16 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Prepayments				
Prepayments for purchase of property, plant and equipment	235,151	222,842	170,815	152,550
Current				
Prepayments and other assets				
Prepayments to a related party *(Note 33(c))*	2,032	2,583	451	2,755
Prepaid expenses	20,390	11,926	17,868	16,846
Deductible input value-added tax	84,392	38,136	41,593	21,632
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	106,814	52,645	59,912	42,430
Other receivables				
Due from related parties *(Note 33(c))*	—	17,662	10,326	9,689
Receivables from disposal of equipment	—	10,984	—	—
Deposits	42	3,079	—	—
Others	805	980	1,331	1,299
	847	32,705	11,657	10,988
Less: allowance for credit losses	(1)	(70)	(6)	(34)
	846	32,635	11,651	10,954
	107,660	85,280	71,563	53,384

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Prepayments for purchase of property, plant and equipment	228,980	221,704	170,815	150,574
Current				
Prepayments and other assets				
Prepaid expenses	8,562	5,033	5,928	8,888
Deductible value-added tax input	67,816	23,226	3,606	80
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	76,378	28,259	9,534	10,165
Other receivables				
Due from subsidiaries	—	—	—	2,860
Due from related parties other than subsidiaries	—	—	9,967	9,301
Others	9	63	32	15
	9	63	9,999	12,176
Less: allowance for credit losses	—	—	—	(37)
	9	63	9,999	12,139
	76,387	28,322	19,533	22,304

17 TRADE RECEIVABLES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade Receivables				
— Due from third parties	348,945	580,615	782,610	850,503
— Due from a related party *(Note 33(c))*	168	242	18,486	35,980
	349,113	580,857	801,096	886,483
Less: allowance for credit losses *(Note 3.1(b))*	(1,048)	(1,739)	(2,403)	(2,659)
	348,065	579,118	798,693	883,824

(a) The aging analysis of trade receivables based on the invoice date was as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Less than 90 days	340,573	540,742	760,726	858,355
91–180 days	8,331	40,115	39,619	27,851
181–365 days	209	—	751	277
	349,113	580,857	801,096	886,483

Trade Receivables are denominated in the following currencies:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
— RMB	113,078	333,981	402,252	456,168
— USD	211,425	226,528	385,871	421,093
— Others	24,610	20,348	12,973	9,222
	349,113	580,857	801,096	886,483

As at 31 December 2023, 2024 and 2025 and 31 March 2026, none of the Group's trade receivables were pledged as collateral.

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. Details are disclosed in Note 3.1(b).

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
— Due from third parties	53,204	206,853	234,865	314,563
— Due from subsidiaries	14,143	32,727	96,293	90,630
— Due from related party other than subsidiaries	168	242	744	1,759
	67,515	239,822	331,902	406,952
Less: allowance for credit losses	(203)	(720)	(996)	(1,221)
	67,312	239,102	330,906	405,731

(a) The aging analysis of trade receivables based on the invoice date was as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Less than 90 days	65,201	213,223	311,334	396,612
91–180 days	2,105	26,599	20,568	10,340
181–365 days	209	—	—	—
	67,515	239,822	331,902	406,952

18 CASH AND CASH EQUIVALENTS AND TERM BANK DEPOSIT WITH INITIAL TERMS OVER THREE MONTHS

(a) Cash and cash equivalents

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at banks	408,007	659,869	298,087	492,226
Interest receivable	379	244	112	190
	408,386	660,113	298,199	492,416

Cash and cash equivalents are denominated in the following currencies:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
— RMB	238,003	455,574	112,925	274,759
— USD	146,124	194,083	169,907	187,818
— NTD	23,371	10,334	14,537	18,713
— Others	888	122	830	11,126
	408,386	660,113	298,199	492,416

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at banks	190,821	367,891	89,865	283,522
Interest receivable	264	63	33	94
	191,085	367,954	89,898	283,616

(b) Term bank deposit

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Term bank deposit with initial term of over three months	—	22,000	—	—

The balance of term bank deposit which were with maturities over three months as at 31 December 2024 were bank deposit, which were held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The interest rate on the deposit during the year ended 31 December 2024 and 2025 was 1.18% and 1.26%, respectively.

19 INVENTORIES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	104,440	131,032	262,473	333,649
Work-in-progress	82,067	121,962	180,481	241,618
Finished goods	69,191	97,974	111,499	125,798
	255,698	350,968	554,453	701,065
Less: provision for impairment of inventories	(33,863)	(27,303)	(39,124)	(46,494)
	221,835	323,665	515,329	654,571

The cost of inventories recognized as expenses for the year ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2026, amounted to RMB1,681,325,000, RMB2,156,268,000, RMB2,710,981,000 and RMB759,169,000, respectively.

The impairment of inventories recognized as cost of sales for the year ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2026, amounted to RMB6,082,000, RMB4,724,000, RMB17,578,000 and RMB18,121,000, respectively.

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	40,602	65,457	129,902	157,610
Work-in-progress	16,249	54,369	77,167	110,534
Finished goods	26,377	59,929	55,192	38,194
	83,228	179,755	262,261	306,338
Less: provision for impairment of inventories	(23,630)	(18,660)	(23,089)	(29,839)
	59,598	161,095	239,172	276,499

20 PAID-IN CAPITAL

The Group and the Company

	Total
	RMB'000
As at 1 January 2023	590,854
— Capital contribution from shareholders *(i)*	146,523
As at 31 December 2023	737,377
As at 1 January 2024 and 31 December 2024	737,377
As at 1 January 2025	737,377
— Capital contribution from shareholders *(ii)*	279
As at 31 December 2025	737,656
As at 1 January 2026 and 31 March 2026	737,656

(i) In March 2023, the Company increased its registered capital by USD19,472,000 at a price of USD9 per unit of registered capital. The newly increased registered capital was subscribed by 11 Employee Shareholding Platforms (as defined in Note 22) of the Group, 4 Pre-[REDACTED] investors, and one related party which is controlled by the same ultimate controlling party of the Company. The total consideration for this capital increase amounted to USD175,246,000 (equivalent to approximately RMB1,216,679,000), of which approximately RMB131,678,000 was credited to paid-in capital and RMB1,085,001,000 was credited to reserves respectively. The detail information on Employee Shareholding Platforms, please refer to Note 22.

In April 2023, the Company increased its registered capital by USD2,119,000 at a price of USD9 per unit of registered capital. The newly increased registered capital was subscribed by two Pre-[REDACTED] investors. The total consideration for this capital increase amounted to USD19,037,000 (equivalent to approximately RMB133,603,000), of which approximately RMB14,845,000 was credited to paid-in capital and RMB118,758,000 was credited to reserves respectively.

(ii) In March 2021, 3 shareholders subscribed for a total of USD5,692,109 of the Company's registered capital at a price of USD1 per unit of registered capital, with the capital contribution paid in RMB. Due to foreign exchange translation differences, there was a shortfall of USD39,000 in the fully paid-in registered capital which denominated in USD. In March 2025, the Company received the aforesaid supplementary capital contribution of USD39,000 (equivalent to RMB279,000).

21 RESERVES

The Group

	Capital reserves	Other reserves	Share-based payment	Currency translation differences	Total reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022 *(i)*	531,738	107,414	2,192	—	641,344
Business combination under common control *(Note 32)*	—	(1,179)	—	—	(1,179)
As at 1 January 2023	531,738	106,235	2,192	—	640,165
Currency translation differences	—	—	—	(436)	(436)
Other comprehensive income	—	—	—	(436)	(436)
Capital contribution	1,203,759	—	—	—	1,203,759
Business combination under common control *(Note 32)*	—	(1,717)	—	—	(1,717)
Employee benefit paid and exempted by the ultimate holding company *(ii) (Note 33)*	—	22,462	—	—	22,462
Share-based payment *(Note 22)*	—	—	5,534	—	5,534
As at 31 December 2023	1,735,497	126,980	7,726	(436)	1,869,767
As at 1 January 2024	1,735,497	126,980	7,726	(436)	1,869,767
Currency translation differences	—	—	—	475	475
Other comprehensive income	—	—	—	475	475
Employee benefit paid and exempted by the ultimate holding company *(ii) (Note 33)*	—	32,680	—	—	32,680
Share-based payment *(Note 22)*	—	—	7,510	—	7,510
As at 31 December 2024	1,735,497	159,660	15,236	39	1,910,432
As at 1 January 2025	1,735,497	159,660	15,236	39	1,910,432
Currency translation differences	—	—	—	(1,057)	(1,057)
Other comprehensive income	—	—	—	(1,057)	(1,057)
Employee benefit paid and exempted by the ultimate holding company *(ii) (Note 33)*	—	30,479	—	—	30,479
Share-based payment *(Note 22)*	—	—	10,572	—	10,572
As at 31 December 2025	1,735,497	190,139	25,808	(1,018)	1,950,426
As at 1 January 2026	1,735,497	190,139	25,808	(1,018)	1,950,426
Currency translation differences	—	—	—	787	787
Other comprehensive income	—	—	—	787	787
Share-based payment *(Note 22)*	—	—	2,769	—	2,769
As at 31 March 2026	1,735,497	190,139	28,577	(231)	1,953,982

(i) In December 2021, the Company entered into an agreement with its parent company, Monterey Park Finance Limited ("**Monterey**"), to acquire 100% equity interest in Qi Ding Technology Qinhuangdao Co., Ltd. ("**Qi Ding**"). This acquisition was business combination under common control and completed on 20 December 2021 ("**acquisition date**"). And the difference between total consideration and book value of net assets as of the acquisition date was credited to other reserves.

(ii) During the years ended 31 December 2023, 2024 and 2025, the ultimate holding company bore employee benefit expenses for certain senior management of the Group amounting to RMB22,462,000, RMB32,680,000 and RMB30,479,000, respectively. Since 1 January 2026, the ultimate holding company has ceased to bear the employee benefit expenses for these employees.

22 SHARE-BASED PAYMENTS

The share-based payment expenses charged to the consolidated statements of profit or loss during the Track Record Period were as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Employee share ownership plans ("**ESOP**") .	5,534	7,510	10,572	1,861	2,769

The accumulated share-based payment expenses of the Group during the Track Record Period were as follows:

	As at 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Share-based payment — the Group	7,726	15,236	25,808	17,097	28,577

(i) Details of the Group's ESOP

Certain directors, senior management and employees of the Group (the "**Plan Participants**") were granted registered capital in the employee shareholding platforms (the "**Employee Shareholding Platforms**"). A total of 11 Employee Shareholding Platforms have been established for the purpose of holding the Company's equity interests on behalf of the Plan Participants.

(ii) Registered capital granted under ESOP

In March 2021, registered capital of USD7,205,000 of the Company with a grant price of USD1 per unit of registered capital, were granted to Plan Participants through 2 Employee Shareholding Platforms. At the grant date, the fair value of registered capital was estimated to be USD1 per unit of registered capital.

In February 2022, registered capital of USD2,577,000 of the Company with a grant price of USD6 per unit of registered capital, were granted to Plan Participants through 4 Employee Shareholding Platforms. At the grant date, the fair value of registered capital was estimated to be USD6 per unit of registered capital.

In March 2023, registered capital of USD2,618,000 of the Company with a grant price of USD9 per unit of registered capital, were granted to Plan Participants through 11 Employee Shareholding Platforms of the Company. At the grant date, the fair value of registered capital was estimated to be USD9 per unit of registered capital.

According to the employee share ownership plans, the registered capital granted to the Plan Participants through the 11 Employee Shareholding Platforms will be vested in tranches on the later of the first anniversary of the [REDACTED] and each 31 March from 2027 to 2031 (the "**Vesting Period**"). If the Plan Participants resigned, the registered capital will be transferred to new eligible Plan Participants at its original cost price (the "**New Grant**"). The Vesting Period is also applied to the new eligible Plan Participants. The differences between the transfer price and the fair value of the registered capital at the New Grant date will be recognized as share-based payment expense over the Vesting Period.

During the years ended 31 December 2023, 2024 and 2025, and the three months ended 31 March 2025 and 2026, the Group recorded share-based payment expense of RMB5,534,000, RMB7,510,000, RMB10,572,000, RMB1,861,000 and RMB2,769,000, respectively.

Movements in the number of registered capital granted to Plan Participants outstanding of the Group were as follows:

	Units of registered capital granted under the ESOP
	(in thousands)
As at 1 January 2023	9,782
Granted during the year	2,735
Forfeited during the year	(117)
As at 31 December 2023	12,400
Granted during the year	471
Forfeited during the year	(471)
As at 31 December 2024	12,400
Granted during the year	497
Forfeited during the year	(497)
As at 31 December 2025	12,400
Granted during the period	15
Forfeited during the period	(15)
As at 31 March 2026	12,400

The majority of the New Grant occurred in 2023 during which certain third-party investors subscribed for additional registered capital of the Company at fair value. Accordingly, the fair value of the New Grant was benchmarked against the price subscribed by these investors.

23 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at amortised cost:				
— Trade receivables *(Note 17)*	348,065	579,118	798,693	883,824
— Other receivables *(Note 16)*	846	32,635	11,651	10,954
— Cash and cash equivalents *(Note 18)*	408,386	660,113	298,199	492,416
— Term bank deposit *(Note 18)*	—	22,000	—	—
	757,297	1,293,866	1,108,543	1,387,194
Financial liabilities				
Liabilities at amortised cost:				
— Borrowings *(Note 25)*	3,882,252	5,531,260	5,558,394	5,800,031
— Trade and other payables excluding accrued salaries, wages and benefits and other taxes payable *(Note 28)*	1,363,167	1,163,165	1,104,273	1,098,871
— Long-term payables *(Note 29)*	556,962	383,710	225,413	183,353
— Lease liabilities	910	447	99	24
	5,803,291	7,078,582	6,888,179	7,082,279

24 INVESTMENTS IN SUBSIDIARIES — THE COMPANY

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	1,130,865	1,133,185	1,137,783	1,138,939

As at the date of this report and during the Track Record Period, the Group had direct or indirect interests in the following subsidiaries:

				Effective interest held					
				As at 31 December			As at 31 March	As at the date of	
Company name	Date of incorporation	Place of incorporation/ operation	Registered share capital	2023	2024	2025	2026	this report	Principal Activities
				%	%	%	%	%	
Leading Qinhuangdao *(b)*	29 March 2021	PRC	RMB 500,000,000	100	100	100	100	100	Research and development, manufacturing and sales of IC substrates products
Leading Interconnect International Limited ("**Leading International**") *(c)*	6 July 2016	Hong Kong	HKD1	100	100	100	100	100	Trading and sales of IC substrates products

(a) All companies comprising the Group are limited liability companies and have adopted 31 December, as their financial year end.

(b) As disclosed in Note 21, on 14 December 2021, the Company entered into an agreement with its parent company, Monterey, to acquire 100% equity interest in Qi Ding, the total consideration was RMB620,000,000, and paid RMB320,000,000 and RMB299,690,000 in year 2023 and 2024, respectively. This acquisition was business combination under common control and completed on 20 December 2021.

On 12 June 2023, Leading Qinhuangdao entered into an agreement with the Company to absorb the business of Qi Ding, which is 100% held by the Company. The merge date of this transaction is 31 July 2023. The deregister of Qi Ding was completed in 2024. The statutory financial statements of this company for the years ended 31 December 2023, 2024 and 2025 were audited by PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)).

(c) In 2023, the Company acquired Leading International from Monterey. Refer to Note 32 for details.

The statutory financial statements of Leading International for the year ended 31 December 2023 and 2024 were audited by SWC & Partners Certified Public Accountants (德富會計師事務所) and by Asia Pacific Business CPA Limited (亞太商務會計師事務所有限公司), respectively. Up to the date of this report, the statutory financial statements for the year ended 31 December 2025 has not been issued. The statutory financial statements of Leading Interconnect International Limited Chinese Taiwan Branch were audited by PricewaterhouseCoopers, Taiwan(資誠聯合會計師事務所) for the years ended 31 December 2023, 2024 and 2025.

(d) The English names of the subsidiaries incorporated in the PRC represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

25 BORROWINGS

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Long-term bank borrowings, unsecured *(a)*	2,394,075	2,940,836	3,048,129	3,064,326
Long-term loans from related parties, unsecured *(b) (Note 33(c))*	366,354	—	—	—
	2,760,429	2,940,836	3,048,129	3,064,326
Current				
Current portion of long-term bank borrowings, unsecured *(a)*	114,661	296,295	416,182	432,577
Short-term loans from related parties, unsecured *(d) (Note 33(c))*	610,757	1,521,866	1,639,482	1,549,876
Short-term bank borrowings, unsecured *(c)*	396,405	546,660	454,601	753,252
Current portion of long-term loans from related parties, unsecured *(b) (Note 33(c))*	—	225,603	—	—
	1,121,823	2,590,424	2,510,265	2,735,705
	3,882,252	5,531,260	5,558,394	5,800,031

(a) Long-term bank borrowings, unsecured

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the annual interest rates of long-term bank borrowings ranged from 3.30% to 4.60%, 3.10% to 4.25%, 2.35% to 4.25%, and 2.35% to 4.25%, respectively.

(b) Long-term loans from related parties, unsecured

As at 31 December 2023 and 2024, the annual interest rates of loans from related parties were 1.81%.

(c) Short-term bank borrowings, unsecured

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the annual interest rates of short-term bank borrowings ranged from 2.06% to 3.70%, 2.10% to 2.80%, 2.11% to 2.50%, and 2.09% to 2.50%, respectively.

(d) Short-term loans from related parties, unsecured

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the annual interest rates of short-term loans from related parties ranged from 5.63% to 6.03%, 3.10% to 6.56%, 3.00% to 4.83% and 3.00% to 4.66%, respectively.

(e) Loan covenants

The Group has complied with all loan covenants (including financial and non-financial) throughout the Track Record Period.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group's bank borrowings were repayable as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	511,066	842,955	870,783	1,185,829
Between 1 and 2 years	218,279	382,583	783,035	827,144
Between 2 and 5 years	640,612	1,202,954	1,076,641	1,074,986
More than 5 years	1,535,184	1,355,299	1,188,453	1,162,196
	2,905,141	3,783,791	3,918,912	4,250,155

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group's loans from related parties were repayable as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	610,757	1,747,469	1,639,482	1,549,876
Between 1 and 2 years	366,354	—	—	—
	977,111	1,747,469	1,639,482	1,549,876

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group's borrowings are denominated in the following currencies:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
— RMB	3,167,169	4,207,587	4,314,818	4,653,133
— USD	610,757	1,218,271	1,135,923	1,042,568
— NTD	104,326	105,402	107,653	104,330
	3,882,252	5,531,260	5,558,394	5,800,031

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Long-term bank borrowings, unsecured	1,782,769	2,301,016	2,417,786	2,429,919
Current				
Current portion of long-term bank borrowings, unsecured	113,957	278,365	343,527	357,419
Short-term loans from related parties, unsecured	326,371	1,169,637	1,112,116	1,227,904
Short-term bank borrowings, unsecured	150,136	260,251	229,142	329,212
	590,464	1,708,253	1,684,785	1,914,535
	2,373,233	4,009,269	4,102,571	4,344,454

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Company's borrowings are denominated in the following currencies:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
— RMB	2,302,337	3,190,626	3,241,492	3,500,122
— USD	70,896	818,643	861,079	844,332
	2,373,233	4,009,269	4,102,571	4,344,454

26 DEFERRED INCOME

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	19,331	79,937	93,533	87,221

The Group's government grants are mainly for subsidising the Group's purchases of property, plant and equipment. These government grants were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful lives of the related property, plant and equipment.

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	8,524	72,325	88,903	83,100

27 DEFERRED INCOME TAX

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets to be recovered				
Tax losses	303,958	337,423	373,991	370,059
Deferred income	4,833	19,223	14,030	13,083
Impairment provision for inventories	8,465	5,975	5,879	6,986
Provision for financial assets	75	205	185	142
Accrued expenses	8,597	13,927	8,774	9,615
Lease liabilities	56	17	—	—
Others	1,075	1,146	869	615
	327,059	377,916	403,728	400,500
Set-off of deferred tax liabilities	(144,781)	(70,432)	(66,507)	(65,698)
Net deferred tax assets	182,278	307,484	337,221	334,802

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax liabilities to be settled				
Right-of-use assets	54	16	—	—
Accelerated tax depreciation	144,661	70,400	66,507	65,581
Others	66	16	—	117
	144,781	70,432	66,507	65,698
Set-off against deferred tax assets	(144,781)	(70,432)	(66,507)	(65,698)
Net deferred tax liabilities	—	—	—	—

(a) Deferred income tax assets

The movement in deferred income tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	Tax losses	Impairment provision for inventories	Provision for financial assets	Deferred income	Accrued expenses	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	208,558	9,914	127	1,171	3,182	—	1,609	224,561
Credited/(charged) to profit or loss *(Note 11)*	95,400	(1,449)	(52)	3,662	5,390	56	(519)	102,488
Credited/(charged) to other comprehensive income	—	—	—	—	25	—	(15)	10
As at 31 December 2023	303,958	8,465	75	4,833	8,597	56	1,075	327,059
As at 1 January 2024	303,958	8,465	75	4,833	8,597	56	1,075	327,059
Credited/(charged) to profit or loss	33,465	(2,489)	130	14,390	5,381	(39)	69	50,907
(Charged)/credited to other comprehensive income	—	(1)	—	—	(51)	—	2	(50)
As at 31 December 2024	337,423	5,975	205	19,223	13,927	17	1,146	377,916
As at 1 January 2025	337,423	5,975	205	19,223	13,927	17	1,146	377,916
Credited/(charged) to profit or loss *(Note 11)*	36,568	(97)	(20)	(5,193)	(5,137)	(17)	(382)	25,722
Credited/(charged) to other comprehensive income	—	1	—	—	(16)	—	105	90
As at 31 December 2025	373,991	5,879	185	14,030	8,774	—	869	403,728
As at 1 January 2026	373,991	5,879	185	14,030	8,774	—	869	403,728
(Charged)/credited to profit or loss *(Note 11)*	(3,932)	1,108	(43)	(947)	879	—	(254)	(3,189)
Charged to other comprehensive income	—	(1)	—	—	(38)	—	—	(39)
As at 31 March 2026	370,059	6,986	142	13,083	9,615	—	615	400,500

In accordance with the PRC laws and regulations, tax losses generally could be carried forward for a period of five years to offset against its future taxable profits. For HNTE in Chinese Mainland, the period is extended to ten years. Deferred tax assets relating to unutilized tax losses are recognized to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilized.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group recognized deferred tax assets in respect of tax losses based on its forecast of future taxable profits. The cumulative tax losses for which no deferred tax assets were recognized amounted to approximately RMB545,395,000, RMB378,193,000, Nil and Nil, respectively (Note 11). The actual utilisation of these losses may differ from management's estimates.

(b) Deferred income tax liabilities

The movements in deferred income tax liabilities during each of the years, without taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	Accelerated tax depreciation	Right-of-use assets	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	128,831	—	—	128,831
Charged to profit or loss *(Note 11)*	15,830	54	66	15,950
As at 31 December 2023	144,661	54	66	144,781
As at 1 January 2024	144,661	54	66	144,781
Credited to profit or loss *(Note 11)*	(74,261)	(38)	(50)	(74,349)
As at 31 December 2024	70,400	16	16	70,432
As at 1 January 2025	70,400	16	16	70,432
Credited to profit or loss *(Note 11)*	(3,893)	(16)	(16)	(3,925)
As at 31 December 2025	66,507	—	—	66,507
As at 1 January 2026	66,507	—	—	66,507
(Credited)/charged to profit or loss *(Note 11)*	(926)	—	114	(812)
Charged to other comprehensive income	—	—	3	3
As at 31 March 2026	65,581	—	117	65,698

28 TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
— Due to third parties	190,232	260,331	397,001	449,686
— Due to related parties *(Note 33(c))*	—	339	—	2,388
Other payables				
— Due to related parties *(Note 33(c))*	300,631	2,324	2,063	1,870
— Construction payables	207,964	347,505	274,090	219,187
— Engineering equipment payable	427,351	315,383	193,972	191,397
— Salaries, wages and benefits	56,154	60,739	61,537	64,185
— Other taxes payable	2,336	1,068	1,200	4,231
— Accrued expenses and others	28,062	30,660	27,958	30,318
— [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Long-term capacity commitment deposits- current portion *(Note 29)*	205,272	201,667	201,869	197,103
— Short-term capacity commitment deposits *(Note 29)*	3,655	4,956	7,320	3,090
	1,421,657	1,224,972	1,167,010	1,167,287

The aging of trade payables based on invoice date as at 31 December 2023, 2024 and 2025 and 31 March 2026 are all within 1 year.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the fair value of trade and other payables approximated their carrying amounts.

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
— Due to third parties	25,324	69,386	138,862	168,631
— Due to subsidiaries	51,088	10,291	—	15,962
— Due to related parties other than subsidiaries	—	339	—	2,363
Other payables				
— Due to related parties other than subsidiaries	299,842	1,181	1,081	791
— Construction payables	141,686	336,939	262,392	213,159
— Engineering equipment payable	412,627	297,860	144,432	143,610
— Salaries, wages and benefits	21,064	21,646	22,890	22,664
— Other taxes payable	827	549	646	3,683
— Accrued expenses and others	7,915	15,372	14,790	16,626
— [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Long-term capacity commitment deposits- current portion *(Note 29)*	178,632	188,257	186,884	184,363
— Short-term capacity commitment deposits *(Note 29)*	2,585	3,390	2,390	1,210
	1,141,590	945,210	774,367	776,894

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the fair value of trade and other payables approximated their carrying amounts.

29 LONG-TERM PAYABLES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Long-term capacity commitment deposits	762,234	585,377	427,282	380,456
Less:				
Long-term capacity commitment deposits — current portion *(Note 28)*	(205,272)	(201,667)	(201,869)	(197,103)
	556,962	383,710	225,413	183,353

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Long-term capacity commitment deposits	720,117	568,762	406,509	363,743
Less:				
Long-term capacity commitment deposits — current portion *(Note 28)*	(178,632)	(188,257)	(186,884)	(184,363)
	541,485	380,505	219,625	179,380

The Group has entered into certain capacity commitment agreements with several customers to secure the Group's IC substrates supply capacity, with contractual terms ranging from 1 to 5 years.

Pursuant to the agreements, the customers are required to pay the capacity commitment deposits upfront and the Group is obligated to reserve a specific volume of monthly or quarterly production capacity for the relevant customers throughout the agreed commitment periods. The deposits received under these agreements are refundable.

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

(a) Cash generated from operations:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
(Loss)/profit before income tax	(839,635)	(526,363)	(351,299)	(156,751)	56,377
Adjustments for:					
Finance costs — net *(Note 10)*	143,164	197,516	202,622	54,150	21,766
Depreciation of property, plant and equipment *(Note 13)*	543,545	665,597	742,157	178,353	197,118
Depreciation of right-of-use assets *(Note 14)*	3,209	4,423	8,437	1,947	2,244
Amortisation of intangible assets *(Note 15)*	25,572	30,649	25,918	6,973	2,887
Net impairment losses on financial assets	501	798	596	(245)	321
Share-based payment expenses *(Note 9)*	5,534	7,510	10,572	1,861	2,769
Net gains on disposal of property, plant and equipment *(Note 7)*	(318)	(759)	(1,299)	(5)	—
Net exchange differences	(1,754)	(1,656)	3,851	517	3,223
Amortisation of deferred income	(3,130)	(11,204)	(21,004)	(4,840)	(6,312)
Provisions for impairment of inventories *(Note 8)*	6,082	4,724	17,578	10,002	18,121
Interest income on term deposit with initial terms over three months *(Note 6)*	—	(55)	(928)	(304)	—
Changes in working capital:					
Contract liabilities	4,357	17,600	(1,332)	(5,739)	5,663
Trade and other payables and long-term payables	434,580	29,799	(12,407)	(48,001)	38,146
Trade receivables, other receivables and prepayments	304,571	(176,264)	(222,256)	51,973	(66,066)
Inventories	(68,807)	(106,554)	(209,242)	(3,322)	(157,363)
	557,471	135,761	191,964	86,569	118,894

(b) Major non-cash transactions:

Other than the share-based payment described in Note 22, there were no other material non-cash transactions during the years ended December 31, 2023, 2024 and 2025 and three months ended 31 March 2025 and 2026.

(c) Reconciliation of liabilities arising from financing activities:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings *(Note 25)*	3,882,252	5,531,260	5,558,394	5,800,031
Lease liabilities	910	447	99	24
	3,883,162	5,531,707	5,558,493	5,800,055

	Liabilities from financing activities			
	Borrowings from banks	Loans from related parties	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Total debt as at 31 December 2022	1,897,426	633,341	374	2,531,141
Cash flows				
— Inflow from financing activities	1,140,159	812,948	—	1,953,107
— Outflows from financing activities	(135,252)	(505,790)	(330)	(641,372)
— Interest paid	(91,873)	(19,696)	—	(111,569)
Other charges				
— Addition of lease liabilities	—	—	853	853
— Accrued interest expenses	94,681	40,543	13	135,237
— Foreign exchange difference	—	15,765	—	15,765
Total debt as at 31 December 2023	2,905,141	977,111	910	3,883,162
Cash flows				
— Inflow from financing activities	1,476,674	1,671,514	—	3,148,188
— Outflows from financing activities	(597,506)	(945,775)	(469)	(1,543,750)
— Interest paid	(121,210)	(44,971)	—	(166,181)
Other charges				
— Accrued interest expenses	120,692	73,502	6	194,200
— Foreign exchange difference	—	16,088	—	16,088
Total debt as at 31 December 2024	3,783,791	1,747,469	447	5,531,707
Cash flows				
— Inflow from financing activities	1,213,288	2,290,982	—	3,504,270
— Outflows from financing activities	(1,078,131)	(2,349,180)	(349)	(3,427,660)
— Interest paid	(131,704)	(102,666)	—	(234,370)
Other charges				
— Accrued interest expenses	131,668	74,859	1	206,528
— Foreign exchange difference	—	(21,982)	—	(21,982)
Total debt as at 31 December 2025	3,918,912	1,639,482	99	5,558,493
Cash flows				
— Inflow from financing activities	503,121	346,967	—	850,088
— Outflows from financing activities	(172,542)	(416,120)	(75)	(588,737)
— Interest paid	(31,948)	(24,309)	—	(56,257)
Other charges				
— Accrued interest expenses	32,612	15,137	—	47,749
— Foreign exchange difference	—	(11,281)	—	(11,281)
Total debt as at 31 March 2026	4,250,155	1,549,876	24	5,800,055

31 CAPITAL COMMITMENTS

Significant capital expenditure commitments were set out below:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Commitments for acquisition of property, plant and equipment	3,336,203	2,469,144	1,773,453	1,579,912

32 BUSINESS COMBINATION UNDER COMMON CONTROL

The Company entered into an agreement with Monterey, the Company's parent company, to acquire 100% equity interest of Leading International from Monterey for a cash consideration of USD250,000, which was completed in 2023.

Leading International and the Company were both under the control of Monterey before and after the combination and such control was not transitory. Therefore, it was regarded as business combination under common control and accounted for using the principles of merger accounting.

Detail of the purchase consideration is as follows:

	RMB'000
Purchase consideration	
Cash paid	1,717

The carrying amount of the assets and liabilities of Leading International as at the date of the combination and 31 December 2022 are set out as follows:

	As at the date of the combination	As at 31 December 2022
	RMB'000	RMB'000
Cash and cash equivalents	13,161	19,090
Prepayments, other receivables and other assets	1	19
Less: Trade and other payables	(15,508)	(20,872)
Net liabilities acquired	(2,346)	(1,763)

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to 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 or joint control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026. 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) Names and relationships with related parties

The directors of the Company are of the view that the following parties were related parties that had transactions or balances with the Group for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026:

Name of related parties	Relationship with the Company
Monterey	The Company's parent company
Futaihua Industry (Shenzhen) Co., Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
ScienBiziP Consulting (Shenzhen) Co., Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Shenzhen Fox Energy Co., Ltd	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Shenzhen Fertile Plan International Logistics Co., Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Shenzhen Fertile Plan International Logistics (Tianjin) Co., Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Ur Materials Industry (Shenzhen) Co., Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Wisecloud Technology Service Inc.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Zhengzhou Zhunxuntong Technology Co., Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Shenzhen Fujun Material Technology Co., Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
ICana Ltd.	Controlled by an entity that has significant influence over the Company's ultimate controlling party
Reco Biotek Co., LTD.	A shareholder of an entity that has significant influence over the Group's ultimate controlling party
Brai Technology Co., Ltd.	Controlled by the same ultimate controlling party of the Company

Name of related parties	Relationship with the Company
Brai Technology Co., Ltd. STSP Branch	Controlled by the same ultimate controlling party of the Company
Garuda Technology Co., Ltd. STSP Branch	Controlled by the same ultimate controlling party of the Company
Boardtek Electronics Corporation Ltd. STSP Branch	Controlled by the same ultimate controlling party of the Company
Yaoding Environmental Energy Technology (Qinhuangdao) Limited	Controlled by the same ultimate controlling party of the Company
Yaoding Environmental Energy Technology (Shenzhen) Limited	Controlled by the same ultimate controlling party of the Company
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Controlled by the same ultimate controlling party of the Company
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Controlled by the same ultimate controlling party of the Company
Mayco Industrial Limited	Controlled by the same ultimate controlling party of the Company
Pacific Fair International Limited	Controlled by the same ultimate controlling party of the Company
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Controlled by the same ultimate controlling party of the Company
Avary Holding (Shenzhen) Co., Limited	Controlled by the same ultimate controlling party of the Company
Zhen Ding Technology Co., Ltd.	Controlled by the same ultimate controlling party of the Company

(b) Transactions with related parties

Related party transactions of the Group are listed as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Trade					
Purchases of goods and services					
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	90,743	87,349	89,466	21,437	24,048
— Shenzhen Fujun Material Technology Co., Ltd.	—	7,063	11,650	1,865	—
— Avary Holding (Shenzhen) Co., Limited	1,433	1,704	2,946	574	312
— Zhengzhou Zhunxuntong Technology Co., Ltd.	1,626	1,720	1,581	337	384
— Yaoding Environmental Energy Technology (Qinhuangdao) Limited	—	—	163	—	82
— Yaoding Environmental Energy Technology (Shenzhen) Limited	—	—	27	—	16
— Shenzhen Fox Energy Co., Ltd	15	55	25	5	—
— Shenzhen Fertile Plan International Logistics Co., Ltd.	—	20	—	—	—
— Zhen Ding Technology Co., Ltd.	2,215	—	—	—	—
— ScienBiziP Consulting (Shenzhen) Co., Ltd.	310	—	—	—	—
— Futaihua Industry (Shenzhen) Co., Ltd.	26	—	—	—	—
— Ur Materials Industry (Shenzhen) Co., Ltd.	7	—	—	—	—
— Brai Technology Co., Ltd. STSP Branch	—	—	—	—	24
	96,375	97,911	105,858	24,218	24,866
Sales of goods and services					
— Yaoding Environmental Energy Technology (Qinhuangdao) Limited	—	—	63,684	—	44,993
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	576	1,200	3,783	154	1,422
— Yaoding Environmental Energy Technology (Shenzhen) Limited	—	—	236	—	133
— ICana Ltd.	—	—	169	110	107
— Zhen Ding Technology Co., Ltd.	278,646	—	—	—	—
— Reco Biotek Co., LTD.	—	17	—	—	—
— Avary Holding (Shenzhen) Co., Limited	—	—	—	—	46
	279,222	1,217	67,872	264	46,701

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Trade					
Rental income					
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	53	333	1,260	315	315
— Shenzhen Fertile Plan International Logistics (Tianjin) Co., Ltd.	—	28	171	43	43
	53	361	1,431	358	358
Rental fee					
— Avary Holding (Shenzhen) Co., Limited	—	2,817	2,317	579	571
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	2,230	2,435	2,150	591	447
— Zhen Ding Technology Co., Ltd.	195	292	305	73	73
	2,425	5,544	4,772	1,243	1,091
Sales of assets					
— Brai Technology Co., Ltd.	—	—	12,650	—	—
— Garuda Technology Co., Ltd. STSP Branch	—	—	12,340	—	—
— Brai Technology Co., Ltd. STSP Branch	—	—	9,657	—	—
— Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	—	10,120	2,200	2,200	—
— Qing Ding Precision Electronics (Huaian) Co., Ltd.	—	—	1,036	—	—
— Boardtek Electronics Corporation Ltd. STSP Branch	—	—	310	—	—
	—	10,120	38,193	2,200	—
Purchases of assets					
— Wisecloud Technology Service Inc.	27	—	—	—	—
Non-trade					
Advance to related parties					
— Zhen Ding Technology Co., Ltd.	—	6,196	—	—	—

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Employee benefit paid on behalf of the Group (Non-trade)					
— Zhen Ding Technology Co., Ltd.	22,462	32,680	30,479	7,254	—
Non-trade					
Loan from					
— Mayco Industrial Limited	604,869	1,287,138	1,783,439	687,816	278,056
— Pacific Fair International Limited	208,079	384,376	507,543	100,000	68,911
	812,948	1,671,514	2,290,982	787,816	346,967
Interest payable					
— Mayco Industrial Limited	30,624	61,331	56,376	16,325	11,672
— Pacific Fair International Limited	9,919	12,171	18,483	5,374	3,465
	40,543	73,502	74,859	21,699	15,137
Repayment of loan from (include interest)					
— Mayco Industrial Limited	382,458	915,907	1,721,498	573,685	440,429
— Pacific Fair International Limited	143,028	74,837	730,349	—	—
	525,486	990,744	2,451,847	573,685	440,429

(c) Balances with related parties

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
— Yaoding Environmental Energy Technology (Qinhuangdao) Limited	—	—	17,566	34,138
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	168	242	590	1,646
— Yaoding Environmental Energy Technology (Shenzhen) Limited	—	—	155	114
— ICana Ltd.	—	—	175	82
	168	242	18,486	35,980
Less: allowance for credit losses	—	(1)	(55)	(108)
	168	241	18,431	35,872

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Other receivables				
Trade				
— Brai Technology Co., Ltd. STSP Branch	—	—	9,658	9,302
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	—	—	343	372
— Boardtek Electronics Corporation Ltd. STSP Branch	—	—	310	—
— Shenzhen Fertile Plan International Logistics (Tianjin) Co.,Ltd.	—	31	15	15
— Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	—	11,435	—	—
	—	11,466	10,326	9,689
Non-trade				
— Zhen Ding Technology Co., Ltd.	—	6,196	—	—
	—	17,662	10,326	9,689
Prepayments (Trade)				
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	2,032	2,583	451	2,755
Trade payables (Trade)				
— Shenzhen Fujun Material Technology Co., Ltd.	—	339	—	2,363
— Brai Technology Co., Ltd. STSP Branch	—	—	—	25
	—	339	—	2,388
Other payables and accruals				
Trade				
— Avary Holding (Shenzhen) Co., Limited	152	1,*173*	1,067	772
— Zhengzhou Zhunxuntong Technology Co., Ltd.	306	345	602	720
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	473	794	309	298
— Yaoding Environmental Energy Technology (Qinhuangdao) Limited	—	—	66	61
— Yaoding Environmental Energy Technology (Shenzhen) Limited	—	—	13	7
— Shenzhen Fox Energy Co., Ltd	10	12	6	12
	941	2,324	2,063	1,870
Non-trade				
— Monterey	299,690	—	—	—
	300,631	2,324	2,063	1,870

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities (Trade)				
— Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	3,561	2,495	1,850	1,769
Due to related parties (Non-trade)				
— Mayco Industrial Limited	687,843	1,130,328	1,228,774	1,068,138
— Pacific Fair International Limited	289,268	617,141	410,708	481,738
	977,111	1,747,469	1,639,482	1,549,876

(d) Key management compensation

Key management comprises the Company's director and senior management. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries and wages	643	1,302	1,413	321	355
Discretionary bonuses	11,712	11,534	9,432	2,144	2,159
Pension obligations, housing funds, medical insurances and other social insurances	26	35	80	52	9
	12,381	12,871	10,925	2,517	2,523

The amount of salaries and other short-term employee benefits and post-employment benefits disclosed above included accrued payroll amounting to approximately RMB11,818,000, RMB11,638,000, RMB9,552,000 and RMB10,662,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively recorded within other payables in the consolidated statements of financial positions.

34 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors and supervisor's emoluments

The remuneration paid or payable to each of the directors (including emoluments for services as senior management or employees of companies now comprising the Group prior to appointment as directors) of the Company were as follows.

	Year ended 31 December 2023			
Name	Wages and salaries	Discretionary bonuses	Pension obligations, housing funds, medical insurances and other social insurances	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Director				
Mr. LEE Ting-Chuan (i)	643	11,712	26	12,381
Supervisor				
Ms. WANG Yuan-sheng (ii)	192	475	19	686
	835	12,187	45	13,067

	Year ended 31 December 2024			
Name	Wages and salaries	Discretionary bonuses	Pension obligations, housing funds, medical insurances and other social insurances	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Director				
Mr. LEE Ting-Chuan (i)	1,302	11,534	35	12,871
Supervisor				
Ms. WANG Yuan-sheng (ii)	502	316	60	878
	1,804	11,850	95	13,749

	Year ended 31 December 2025			
Name	Wages and salaries	Discretionary bonuses	Pension obligations, housing funds, medical insurances and other social insurances	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Director				
Mr. LEE Ting-Chuan (i)	1,413	9,432	80	10,925
Supervisor				
Ms. WANG Yuan-sheng (ii)	583	659	74	1,316
	1,996	10,091	154	12,241

	Three months ended 31 March 2026			
Name	Wages and salaries	Discretionary bonuses	Pension obligations, housing funds, medical insurances and other social insurances	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Director				
Mr. LEE Ting-Chuan (i)	355	2,159	9	2,523
Supervisor				
Ms. WANG Yuan-sheng (ii)	163	158	17	338
	518	2,317	26	2,861

(i) Mr. LEE Ting-Chuan was appointed as the executive director and general manager of the Company in August 2019.

(ii) Ms. WANG Yuan-sheng was appointed as the supervisor of the Company in September 2022 and resigned from the Company's supervisor in May 2026. In May 2026, Ms. WANG Yuan-sheng was appointed as the chief financial officer.

(iii) Mr. HSIAO Te-Wang was appointed as the non-executive director of the Company in May 2026.

(iv) Mr. WANG Yung-Hsiang was appointed as the non-executive director of the Company in June 2026.

(v) Mr. CHOU Chih-Chen was appointed as the independent non-executive director of the Company in May 2026.

(vi) Ms. YU Pei-Pei was appointed as the independent non-executive director of the Company in May 2026.

(vii) Mr. CHEN Jyan-Bang was appointed as the independent non-executive director of the Company in June 2026.

(viii) Mr. ZHANG Yu was appointed as the employee director of the Company in May 2026.

(b) Directors and supervisor's retirement and termination benefits

No retirement benefits were paid to or receivable by any directors or supervisors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries' undertaking during the Track Record Period.

No payment was made to the directors or supervisors as compensation for early termination of appointment during the Track Record Period.

(c) Consideration provided to third parties for making available directors' and supervisor's services

No payment was made to any former employers of the directors or supervisor for making available the services of them as a director or a supervisor of the Company during the Track Record Period.

(d) Information about loans, quasi-loans or other dealings in favour of directors or supervisor, controlled bodies corporate by and connected entities with such directors or supervisor.

There were no loans, quasi-loans and other dealings in favour of directors or supervisor, controlled bodies corporate by and connected entities with such directors or supervisor during the Track Record Period.

(e) Directors' and supervisor material interests in transactions, arrangements or contracts

Save as disclosed in Note 22, there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director or a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

35 CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025 and 31 March 2026, there were no significant contingent liabilities for the Group and the Company.

36 DIVIDENDS

No dividend has been paid or declared by the Company or the subsidiaries of the Company during each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026.

37 SUBSEQUENT EVENTS

As disclosed in Note 1, in May 2026, the Company was converted into a joint stock company with limited liabilities under the Company Law of the PRC. On the conversion date, 737,655,639 ordinary shares with a par value of RMB1 each were issued.

In May 2026, the Company issued 108,888,889 ordinary shares to 7 third-party investors at a price of RMB18 per share. The total consideration was RMB1,960,000,002, of which approximately RMB108,889,000 was credited to share capital and RMB1,851,111,002 was credited to reserves.

38 SUMMARY OF OTHER ACCOUNTING POLICIES

38.1 Principles of consolidation

(i) *Subsidiaries*

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

38.2 Common control combinations

For common control combinations, the consolidated financial statements incorporate the financial entities of the combining entities or businesses as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party. The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognized in consideration of goodwill or excess of acquirer's interest in the net fair value of acquirer's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combinations, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The consolidated financial statements are presented as if the entities or business had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognized as an expense in the year in which it is incurred.

38.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of 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 a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period 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.

38.4 Foreign currency translation

(a) ***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in RMB, which is the functional currency of the Company and also the presentation currency of the Company.

(b) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. 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. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within "other gains — net".

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 other comprehensive income.

38.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. 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 financial period in which they are incurred.

Construction in progress represents unfinished construction and equipment under construction or pending for installation 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.

38.6 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life 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 tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be 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 purposes of goodwill impairment assessment, management considered each of the acquired companies as a separate group of CGU and goodwill has been allocated to each of the acquired companies accordingly. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the year.

38.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position where the entity currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

38.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.9 Paid-in 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.

38.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the Track Record Period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

38.11 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 or 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 when the obligation specified in the contract is extinguished, 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 profit or loss as finance costs.

Borrowings are classified as current liabilities unless, at the end of the financial year, the Group has a right to defer settlement of the liability for at least 12 months after the financial year.

38.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

38.13 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 the Track Record 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 it 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 the Track Record 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 income tax assets and liabilities and where the deferred income 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.

38.14 Employee benefits

(a) ***Short-term obligations***

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave 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 the Track Record 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***

In accordance with the rules and regulations in the PRC, the employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

(c) ***Housing funds, medical insurances and other social insurances***

The employees of the Group 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.

(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 the Track Record Period are discounted to present value.

(f) ***Share-based payments***

The Group operates an equity-settled share-based compensation plan, under which the Group receives service from its directors, senior management and employees in exchange for the equity instruments of the Company. As disclosed in Note 22, during the Track Record Period, equity-settled restricted stock units were granted to certain directors, senior management and employees. The fair value of the employee service received in exchange for the grant of RSUs is recognized as an expense.

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 excess of the fair value of the modified equity instrument over that of the original equity instrument, both estimated as at 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. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based compensation plan, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

38.15 Leases

Lease as lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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 lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs, if any.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building 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 without a purchase option.

38.16 (Losses)/earnings per share

(a) ***Basic (losses)/earnings per share***

Basic (losses)/earnings per share is calculated by dividing:

- the (loss)/earning attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year/period, adjusted for bonus elements in ordinary shares issued during the year/period and excluding treasury stock.

(b) ***Diluted (losses)/earnings per share***

Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (loss)/earning 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.

38.17 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

38.18 Interest income

Interest income on financial assets at amortised cost is recognized in profit or loss as part of finance income.

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).

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 March 2026 and up to the date of this report.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this Document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market value of the Property held by the Group in the PRC as at 30 April 2026.

CUSHMAN & WAKEFIELD
戴德梁行

27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

The Board of Directors
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.
No. 8 Langdong Road
Bao'an District, Shenzhen
Guangdong Province
the People's Republic of China

Dear Sirs,

RE: THE PROPERTY INTEREST AND THE RIGHT OF USE IN LEADING TECHNOLOGY PARK LOCATED AT NO. 8 LANGDONG ROAD, BAO'AN DISTRICT, SHENZHEN, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA

Instructions, Purpose & Valuation Date

In accordance with the instructions of Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (the "**Company**") for Cushman & Wakefield ("**C&W**") to value the property interest and the right of use of the owned and leased portions respectively of the captioned property in the People's Republic of China (the "**PRC**") (the physical entity as the "**Property**" and the interests arising therefrom collectively as the "**Property Interest**") in which the Company and/or its subsidiaries (together referred to as the "**Group**") have interests, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the value of the Property as at 30 April 2026 (the "**Valuation Date**").

Valuation Basis

Our valuation of the Property Interest represents its market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors ("**HKIS**") is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We confirm that our valuation is undertaken in accordance with The HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyor.

Our valuation of the Property Interest is on an entirety interest basis.

Valuation Assumptions

Our valuation of the Property Interest excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

We confirm that we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of The Hong Kong Limited and The HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors.

In the course of our valuation of the Property Interest, we have relied on the information and advice given by the Company and have considered the advice given by the Company's PRC legal advisor (the "**Legal Advisor**"), King & Wood (金杜律師事務所) to the Company, regarding the titles to the Property and the interests of the Group in the Property. Unless otherwise stated, in valuing the Property, we have assumed that Company has enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired term as granted.

The status of titles and grant of major certificates, approvals and licenses, in accordance with the information provided by the Company are set out in the notes of the valuation report.

No allowance has been made in our valuation for any charges, pledges or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Sustainability and Environmental, Social, and Governance

Sustainability and Environmental, Social, and Governance ("**ESG**") factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuation, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the property as observed from inspection, information supplied or notified to us by the Company. For the avoidance of doubt, our valuation does not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists' advice beyond the scope of the valuer.

Valuation Methods

The Property is comprised of two portions — the portion owned by the Group (the "**Owned Portion**") and the portion leased from the local government by the Group (the "**Leased Portion**").

In respect of the Owned Portion, according to the respective Real Estate Title Certificates, the land use rights and the buildings thereon are neither transferable nor leasable. Considering these restrictions, we have ascribed no commercial value to the said portion. For the Group's management reference, however, we are requested to provide value on the basis of legitimate title with unfettered rights and nil encumbrances.

Due to the specific nature of the Owned Portion and lack of sales transactions of the property of the same characteristics in the vicinity, we have mainly adopted Depreciated Replacement Cost ("DRC") Method. DRC Method is based on an estimate of the value of the land in its existing use, plus the current cost of replacement of the improvements, less allowance for physical deterioration and all relevant forms of obsolescence and optimization. For the land portion, we have generally made reference to comparable land sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, time, size etc. DRC Method is subject to service potential of the

entity from the use of assets as a whole paying due regard to the total assets employed. The market value arrived using DRC Method applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

In respect of the Leased Portion, we have used Investment Method under Income Approach by capitalising the rental income potential of the Property at an appropriate capitalisation rate. We have also cross-checked against comparable sales evidence as available in the relevant market.

When using Investment Method, we have mainly made reference to relevant comparable rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, trade mix, size, time and other relevant factors.

The capitalisation rate adopted in our valuation is based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rate is estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rate adopted is reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

Source of Information

In the course of our valuation, we have relied to a very considerable extent on the information given by the Company and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the Property, particulars of occupancy, development scheme, construction cost, completion date, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult other professional advisers regarding the legality and interpretation of these documents.

Title Investigation

We have been provided by the Company with copies of documents in relation to the current titles to the Property. However, we have not been able to conduct searches to verify the ownership of the Property and we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the Property in the PRC and we have therefore relied on the information given by the Company or considered the advice given by the Legal Advisor to the Company regarding the interests of the Company in the Property.

Site Inspection

Senior Associate Director of our Shenzhen Office, Tommy Yuan (Certified Public Valuer with 10-year experience of property valuation) has inspected the exterior, and where possible, the interior on 19 March 2026. However, we have not carried out any investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred

during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Property are free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Currency

Unless otherwise stated, all monetary sums stated in our valuation is in Renminbi ("**RMB**") the official currency of the PRC.

Independence

We hereby confirm that C&W and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the Property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We attach herewith valuation report.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace Lam
MHKIS, MRICS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

Note:

(1) Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently.

VALUATION REPORT

Group — Property Interest held by the Group in the PRC

Property Interest	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2026
The property interest and the right of use in Leading Technology Park located at No. 8 Langdong Road, Bao'an District, Shenzhen, Guangdong Province, the PRC (中國廣東省深圳市寶安區朗東路8號禮鼎科技園之物業權益及使用權權益)	Leading Technology Park is an industrial complex comprising various buildings erected on a parcel of land with a site area of 57,234.34 sq.m. and a total title gross floor area of approximately 213,690.06 sq.m., including two blocks of workshops, a water treatment center, two warehouses, a R&D office building, and 344 underground parking spaces. The Property was completed around 2024. The Owned Portion comprises with a total title gross floor area of approximately 166,376.77 sq.m. and 244 underground parking spaces. The breakdown is summarized below: **Block / Building / Title Gross Floor Area (sq. m.)** 1# Workshop 84,477.20 2# Workshop (Levels 1, 2, 6 and 7) 37,964.29 3# Water Treatment Center 26,460.67 4# Class C Warehouse 6,895.55 5# Class A Warehouse 903.00 6# R&D Office 9,676.06 **Total: 166,376.77** The Leased Portion comprises with a total title gross floor area of approximately 47,313.29 sq.m. of Block 2# on Levels 3 to 6 and 100 underground parking spaces. The Property is located to the north of Changdi Road (長堤路) and to the east of Langdong Road (朗東路), within Bao'an District, Shenzhen. Developments nearby are mainly industrial and residential development in nature. According to the Company, the Property is mainly for industrial use; there are neither environmental issues and litigation dispute; nor any plan to change the use of the property. The land use right of the Property has been granted for a land use term due to expire on 8 February 2051 for industrial use. The Leased Portion is let to the Group under a head lease for a term due to expire on 19 November 2045 for manufacturing workshop and car parking uses.	As at the valuation date, the Property by the Group for manufacturing purpose. (see Note (9))	Owned portion: No commercial value (See Notes (12) and (13) Leased portion: RMB[314,000,000] (RENMINBI THREE HUNDRED AND FOURTEEN MILLION) (100% interest attributable to the Group: RMB[314,000,000])

Notes:

(1) According to Certificate of Real Estate Ownership No. (2021) 0135658 dated 30 July 2021, the land use right of the Property has been vested to Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (禮鼎半導體科技(深圳)有限公司), with a site area of approximately 57,234.34 sq.m. for the land use term due to expire on 8 February 2051 for industrial use.

The land use rights and buildings of the above-mentioned portion permit partial mortgage. However, the mortgage amount shall not exceed the sum of the value of the remaining land use term under the contract and the residual value of the buildings and structures. The land use rights and the buildings thereon are neither transferable nor leasable.

(2) According to six Real Estate Ownership Certificates Nos. 0210976 to 0210981 dated 29 May 2026, the land use rights and building ownership of portion of the Property with a total gross floor area of 166,376.77 sq. m. have been vested into Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (禮鼎半導體科技(深圳)股份有限公司) for the land use term due to expire on 8 February 2051 for industrial and warehouse uses.

The land use rights and buildings of the above-mentioned portion permit partial mortgage. However, the mortgage amount shall not exceed the sum of the value of the remaining land use term under the contract and the residual value of the buildings and structures. The land use rights and the buildings thereon are neither transferable nor leasable.

(3) According to Real Estate Title Ownership Certificate No. (2026) 0251903 dated 8 June 2026, the land use rights and building ownership of Block 2# of the Property with a total gross floor area of 47,313.29 sq. m. have been vested into Shenzhen Baoan Public Estate Management Office (深圳市保安區公共物業管理局) for the land use term due to expire on 8 February 2051 for innovative industrial use.

(4) According to Certificate of Construction Land Planning Permit No. 440306202100013 dated 26 March 2021, a development with a site area of 57,234.34 sq. m. and a total development scale of 269,000 sq m, the construction land complies with the relevant planning requirements.

(5) According to Construction Work Planning Permit No. 4403062023GG0127312 dated 30 November 2023, the construction work of Leading Technology Park complies with the relevant planning requirements.

(6) According to Construction Work Commencement Permit No. 2021-0527, the construction works with a development scale of 291,650.13 sq. m. complies with the relevant commencement requirement and is permitted to commence.

(7) According to Survey Report on Completion of Construction Works No. 2023172 dated 10 January 2024 and Completion Acceptance Certificate No. 4403062024HY0049496 dated 31 October 2024, the construction works of Leading Technology Park with a total gross floor area of 292,697.43 sq.m. have been completed.

The ownership of workshop area on Levels 3 to 5, portions of Level 6 of Workshop Block 2# with a total gross floor area of 47,313.29 sq. m. and 100 underground parking spaces on Basement Level 1 belong to the local government.

(8) As advised by the Company, the area discrepancies between the Survey Report and the Certificate of Real Estate Ownership are mainly due to areas including guard rooms and certain common areas are excluded from the Certificates of Real Estate Ownership. In the course of valuation, we have considered the areas stipulated in the certificates only.

(9) According to a tenancy agreement entered into between Shenzhen Baoan Public Estate Management Office (深圳市寶安區公共物業管理中心) and Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (禮鼎半導體科技(深圳)有限公司) on 14 November 2025, portions of the Leading Technology Park with a total gross floor area of approximately 47,313.29 sq.m. of Block 2# on Levels 3 to 6 and 100 underground parking spaces are let to Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. from 20 November 2025 to 19 November 2045 at a total rent of RMB30,000,000 for manufacturing use. Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. is not allowed to sublease whole or part of the premise to third party.

(10) We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisor, which contains, *inter alia*, the following

(a) Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. (禮鼎半導體科技(深圳)股份有限公司) has completed title registration and obtained the relevant Certificate of Real Estate Ownership and can legally enjoy the real estate ownership regarding the portion of the Property owned by the Company; and

(b) the portion of the Property owned by the Company does not subject to any encumbrances.

(11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company:

Certificate of Real Estate Ownership	Yes
Certificate of Construction Land Planning Permit	Yes
Construction Work Planning Permit	Yes
Survey Report on Completion of Construction Works	Yes
Completion Acceptance Certificates	Yes

(12) Due to the transfer and lease restrictions mentioned in Note (1), we have ascribed no commercial value to the portion of the Property owned by the Group. For the Group's management reference purpose, we have valued such portion on the basis of legitimate title with unfettered rights and nil encumbrances in the sum of RMB1,852,000,000 (RENMINBI ONE BILLION EIGHT HUNDRED FIFTY TWO MILLION).

(13) The market values of the constituent components of the Property Interest are set out below:

Property interest of the Owned Portion: No commercial value (Reference value: RMB1,852,000,000 (See Note (12))
Right of use in the Leased Portion: RMB314,000,000

This appendix contains a summary of the principal provisions of the Articles of Association of the Company adopted on June 25, 2026, which will take effect on the date of [REDACTED] of the [REDACTED] on the [REDACTED]. This appendix is intended primarily to provide potential [REDACTED] with an overview of the Company's Articles of Association and therefore may not contain all information that may be material to potential [REDACTED].

ISSUANCE OF SHARES

The issuance of shares by the Company shall be conducted on an open, fair and just basis, and each share of the same class shall have equal rights.

For shares of the same class issued in the same tranche, the issue terms and price per share shall be the same; each subscriber shall pay the same amount per share for the shares subscribed by them.

INCREASE AND REDUCTION OF SHARE CAPITAL AND REPURCHASE OF SHARES

Capital increase

The Company may, in accordance with the provisions of laws and regulations and upon separate resolutions passed by the shareholders' meeting, increase its share capital by the following methods as needed for its operations and development:

(1) issuing shares to non-specific persons;

(2) issuing shares to specific persons;

(3) issuing bonus shares to existing shareholders;

(4) converting capital reserves into share capital;

(5) other methods as provided by laws, administrative regulations, the Hong Kong Listing Rules and the CSRC regulations.

Capital Reduction

The Company may reduce its registered share capital. The reduction of the Company's registered share capital shall be handled in accordance with the procedures set forth in the Company Law, the Hong Kong Listing Rules, regulations and regulatory rules of the place where the Company's shares are [REDACTED] and other relevant regulations and these Articles of Association.

Share Repurchase

The Company shall not purchase its own shares, except under any of the following circumstances:

(1) to reduce the Company's registered share capital;

(2) to merge with another company that holds shares of the Company;

(3) to use shares for employee share ownership plans or equity incentives;

(4) where a shareholder, objecting to a shareholders' meeting resolution on the merger or division of the Company, requests the Company to acquire its shares;

(5) to use shares for conversion of convertible corporate bonds issued by the Company;

(6) where necessary for the Company to safeguard its value and the rights and interests of shareholders;

(7) other circumstances permitted by laws, regulations and regulatory rules of the place where the Company's shares are [REDACTED].

Except for the above circumstances, the Company shall not repurchase its own shares.

Where the Company repurchases its own shares under circumstances (1) or (2) above, a shareholders' meeting resolution shall be required. Where the Company repurchases its own shares under circumstances (3), (5) or (6) above, a resolution of the Board of Directors at a meeting attended by two-thirds or more of the directors may be adopted in accordance with these Articles of Association or the authorization of the shareholders' meeting.

After repurchasing its own shares in accordance with the preceding paragraph, the Company shall, under circumstance (1), cancel such shares within 10 days from the date of repurchase; under circumstances (2) or (4), transfer or cancel such shares within six months; under circumstances (3), (5) or (6), the aggregate number of shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or canceled within three years.

Transfer of Shares

Shares issued before the Company's [REDACTED] shall not be transferred within one year from the date of [REDACTED] and [REDACTED] of the Company's shares on a [REDACTED].

Directors and senior management of the Company shall report to the Company the shares of the Company held by them and any changes thereto. During their tenure as determined at the time of appointment, the number of shares of the same class transferred in each year shall not exceed 25% of the total number of shares of the same class held by them; the shares of the Company held by them shall not be transferred within one year from the date of [REDACTED] and [REDACTED] of the Company's shares. The above-mentioned persons shall not transfer the shares of the Company held by them within six months after their resignation.

Where shares are pledged during the restricted transfer period as provided by laws and administrative regulations, the pledgee shall not exercise the pledge right during the restricted transfer period.

Where the Hong Kong Listing Rules and the relevant provisions of the securities regulatory authorities of the place where the Company's shares are [REDACTED] have other provisions on the transfer restrictions of the Company's shares, such provisions shall prevail.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company shall maintain a shareholders' register based on the certificates provided by the securities registration and settlement institution. The shareholders' register shall be sufficient evidence to prove the shares held by shareholders. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding shares of the same class shall enjoy equal rights and assume the same obligations. The Company shall issue shares in paper form and/or adopt paperless [REDACTED] and [REDACTED] in accordance with the provisions of the applicable regulatory rules, and the share certificates shall specify the matters required by the applicable regulatory rules.

Rights and obligations of shareholders

Shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and other forms of profit distribution in accordance with their shareholding proportions;

(2) to request, convene, preside over, participate in or appoint a proxy to attend shareholders' meetings in accordance with the Company Law and these Articles of Association, and to exercise the corresponding voting rights;

(3) to supervise the Company's operations, and to make suggestions or inquiries;

(4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, the Hong Kong Listing Rules, the Securities and Futures Ordinance, the USM Rules and the relevant provisions of the securities regulatory authorities and stock exchanges of the place where the Company's shares are [REDACTED], and these Articles of Association;

(5) to inspect and copy the Articles of Association, the shareholders' register, the minutes of shareholders' meetings, resolutions of the Board of Directors, financial and accounting reports, and qualified shareholders may inspect the Company's accounting books and vouchers;

(6) upon termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in accordance with their shareholding proportions;

(7) shareholders who object to a shareholders' meeting resolution on the merger or division of the Company may request the Company to acquire their shares;

(8) to inspect the Hong Kong branch of the shareholders' register, provided that the Company may suspend the registration of shareholders in accordance with provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

(9) other rights provided by laws, administrative regulations, departmental rules or these Articles of Association.

Where shareholders request to inspect and copy the Company's relevant materials, they shall comply with the provisions of laws and administrative regulations such as the Company Law and the Securities Law.

Where shareholders who individually or jointly hold 3% or more of the Company's shares for 180 consecutive days or more request to inspect the Company's accounting books and vouchers, the provisions of Article 57, paragraphs 2, 3 and 4 of the Company Law shall apply.

Where shareholders request to inspect and copy relevant materials of a wholly-owned subsidiary of the Company, the provisions of the preceding two paragraphs shall apply.

Shareholders of the Company shall assume the following obligations:

(1) to comply with laws, administrative regulations and these Articles of Association;

(2) to pay the share capital in accordance with the shares subscribed and the method of subscription;

(3) not to withdraw their share capital except as provided by laws and regulations;

(4) not to abuse shareholder rights to harm the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to harm the interests of the Company's creditors;

(5) other obligations that should be assumed as provided by laws, administrative regulations and these Articles of Association.

Where shareholders abuse their shareholder rights and cause losses to the Company or other shareholders, they shall be liable for compensation in accordance with the law. Where shareholders abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously harm the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

Where shareholders use two or more companies controlled by them to commit the acts provided in the preceding paragraph, each company shall bear joint and several liability for the debts of any one of the companies.

SHAREHOLDERS' MEETING

General provisions on shareholders' meeting

The shareholders' meeting of the Company shall be composed of all shareholders. The shareholders' meeting is the authority of the Company and shall exercise the following powers in accordance with the law:

(1) to elect and replace directors who are not employee representatives, and to decide on the remuneration of directors;

(2) to consider and approve the report of the Board of Directors;

(3) to consider and approve the Company's profit distribution plan and plan for making up losses;

(4) to resolve on the increase or decrease of the Company's registered share capital and the issuance of any type of shares, warrants and other similar securities;

(5) to resolve on the issuance of corporate bonds;

(6) to resolve on the merger, division, dissolution, liquidation (including voluntary winding-up) or change of corporate form of the Company;

(7) to amend these Articles of Association;

(8) to resolve on the appointment and dismissal of the accounting firm engaged by the Company for audit services;

(9) to consider and approve guarantee matters as provided in Article 44 of these Articles of Association;

(10) to consider matters involving the purchase or sale of major assets by the Company within one year exceeding 30% of the Company's latest audited total assets;

(11) to consider and approve equity incentive plans and employee share ownership plans;

(12) to consider other matters that should be decided by the shareholders' meeting as provided by laws, administrative regulations, departmental rules or these Articles of Association;

(13) other matters required by the listing rules of the stock exchange where the Company's shares are [REDACTED].

The shareholders' meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds.

Except as otherwise provided by laws, administrative regulations, the Hong Kong Listing Rules, CSRC regulations or stock exchange rules, the above powers of the shareholders' meeting shall not be exercised by the Board of Directors or other institutions or individuals by way of authorization.

An extraordinary shareholders' meeting shall be convened within two months from the occurrence of any of the following circumstances:

(1) where the number of directors falls below the number required by the Company Law or two-thirds of the number prescribed by these Articles of Association;

(2) where the Company's uncovered losses reach one-third of the total share capital;

(3) upon the request of shareholders individually or jointly holding 10% or more of the Company's shares (calculated as of the date of the shareholders' written request);

(4) where the Board of Directors deems it necessary;

(5) where the audit committee proposes to convene a meeting;

(6) other circumstances provided by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these Articles of Association.

Convening a shareholders' meeting

With the consent of a majority of all independent directors, independent directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Upon receiving a proposal from independent directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association, provide written feedback on whether it agrees to convene an extraordinary shareholders' meeting within 10 days of receiving the proposal. 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 does not agree to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

Shareholders individually or jointly holding 10% or more of the Company's shares who request the Board of Directors to convene an extraordinary shareholders' meeting shall make the request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association, provide written feedback on whether it agrees to convene an extraordinary shareholders' meeting within 10 days of receiving the request.

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 does not agree to convene an extraordinary shareholders' meeting or fails to respond within 10 days of receiving the request, shareholders individually or jointly holding 10% or more of the Company's shares may propose to the audit committee to convene an extraordinary shareholders' meeting by making a request to the audit committee in writing.

If the audit committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of receiving the request. Any changes to the original request 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 time limit, it shall be deemed that the audit committee does not convene and preside over the shareholders' meeting, and shareholders individually or jointly holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

Where the audit committee or shareholders individually or jointly holding 10% or more of the Company's shares decide to convene a shareholders' meeting on their own, they shall notify the Board of Directors in writing and, in accordance with applicable laws and regulations, file for record with the relevant competent authorities and the stock exchange where the Company's shares are [REDACTED] (if required).

Where shareholders convene a shareholders' meeting on their own, the aggregate shareholding ratio of the shareholders convening the meeting shall not be less than 10% before the shareholders' meeting resolution is made.

Notice of shareholders' meeting

The convener shall notify each shareholder of an annual shareholders' meeting 21 days before the meeting, and of an extraordinary shareholders' meeting 15 days before the meeting. In calculating the time period, the date of the meeting shall not be included. Where laws, regulations, the Hong Kong Listing Rules, the listing rules of the place where the Company's shares are [REDACTED] and securities regulatory authorities have other provisions, such provisions shall prevail.

Notice of a shareholders' meeting shall be delivered to shareholders (whether or not they have voting rights at the shareholders' meeting) by personal delivery or by prepaid postage mail, addressed to the address recorded in the shareholders' register, or published on the Company's website or the website designated by the Hong Kong Stock Exchange, subject to compliance with applicable laws, regulations and the listing rules of the place where the Company's shares are [REDACTED]. If a notice should be given to holders of overseas listed foreign shares in accordance with these Articles of Association, such notice shall also be published in the manner prescribed by the Hong Kong Listing Rules. For holders of domestic shares, the notice of shareholders' meeting may also be given by way of public announcement.

The notice of a shareholders' meeting shall include the following:

(1) the time, place and duration of the meeting;

(2) the matters and proposals to be considered at the meeting;

(3) a clear statement in conspicuous text that all shareholders are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote, and that such proxy need not be a shareholder of the Company;

(4) the record date for shareholders entitled to attend the shareholders' meeting;

(5) the name and telephone number of the standing contact person for meeting affairs;

(6) the voting time and procedures for other methods of voting;

(7) other requirements provided by laws, regulations, regulatory rules of the place where the Company's shares are [REDACTED], and these Articles of Association.

Resolutions of shareholders' meeting

Shareholders' meeting resolutions are divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by a majority of the voting rights represented by shareholders present at the meeting.

A special resolution at a shareholders' meeting shall be passed by a two-thirds majority of the voting rights represented by shareholders present at the meeting.

The following matters shall be passed by ordinary resolutions at a shareholders' meeting:

(1) the work report of the Board of Directors;

(2) the profit distribution plan and loss recovery plan formulated by the Board of Directors;

(3) the appointment, removal and remuneration and payment method of directors;

(4) other matters except those that should be passed by special resolution as provided by laws, administrative regulations, the listing rules of the place where the Company's shares are [REDACTED], or these Articles of Association.

The following matters shall be passed by special resolutions at a shareholders' meeting:

(1) increase or decrease of the Company's registered share capital;

(2) division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) of the Company;

(3) amendment of these Articles of Association;

(4) where the amount of purchase or sale of major assets or provision of guarantees to others within one year exceeds 30% of the Company's latest audited total assets;

(5) other matters provided by laws, administrative regulations, the listing rules of the place where the Company's shares are [REDACTED], or these Articles of Association, and other matters that the shareholders' meeting determines by ordinary resolution will have a significant impact on the Company and require a special resolution.

Shareholders exercise their voting rights according to the number of voting shares they represent, with one vote per share.

Shares of the Company held by the Company itself have no voting rights, and such shares shall not be counted in the total number of voting shares represented by shareholders present at the meeting.

When the shareholders' meeting considers connected transaction matters, connected shareholders shall not participate in the vote, and the voting rights represented by them shall not be counted in the total valid votes.

If the stock exchange of the place where the Company's shares are [REDACTED] requires any shareholder to abstain from voting on a resolution matter, or restricts any shareholder to voting only in favor of (or against) a resolution matter, any votes cast by such shareholders or their representatives in violation of such requirements or restrictions shall not be counted.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced by the shareholders' meeting, and may be removed from office by the shareholders' meeting before the expiration of their term, with such removal taking effect on the date of the shareholders' meeting resolution. Directors shall serve a term of three years, and upon expiry of their term and subject to compliance with the Hong Kong Listing Rules, they may be re-elected upon re-election.

Directors may concurrently serve as senior management, provided that the total number of directors concurrently serving as senior management and directors serving as employee representatives shall not exceed one-half of the total number of directors of the Company.

Board of Directors

The Company shall have a Board of Directors consisting of seven directors, including one director representing employees and three independent directors. The Board of Directors shall have one chairman, who shall represent the Company in executing corporate affairs. The chairman shall be elected by the Board of Directors by a majority of all directors.

The Board of Directors shall exercise the following powers:

(1) to convene shareholders' meetings and report to the shareholders' meeting;

(2) to implement the resolutions of the shareholders' meeting;

(3) to decide on the Company's operational plans and investment plans;

(4) to formulate the Company's profit distribution plan and loss recovery plan;

(5) to formulate plans for increase or decrease of the Company's registered share capital, issuance of bonds or other securities and listing;

(6) to formulate plans for major acquisitions, repurchase of the Company's shares, mergers, divisions, dissolutions and changes of corporate form;

(7) within the scope of authorization by the shareholders' meeting, to decide on matters such as external investments, acquisition and sale of assets, asset mortgage, external guarantees, entrusted wealth management, connected transactions, and external donations;

(8) to decide on the establishment of the Company's internal management structure;

(9) to decide on the appointment or dismissal of the Company's manager, chief financial officer and other senior management, and to decide on their remuneration and rewards and punishments; based on the manager's nomination, to decide on the appointment or dismissal of deputy managers, chief financial officer and other senior management, and to decide on their remuneration and rewards and punishments;

(10) to formulate the Company's basic management systems;

(11) to formulate plans for amending these Articles of Association;

(12) to manage the Company's information disclosure matters;

(13) to propose to the shareholders' meeting the appointment or replacement of the accounting firm for the Company's audit;

(14) to listen to the work report of the Company's manager and inspect the manager's work;

(15) to consider and approve external guarantee matters of the Company other than those provided in Article 44 of these Articles of Association;

(16) other powers conferred by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are [REDACTED], these Articles of Association, or the shareholders' meeting.

Matters beyond the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

The chairman shall exercise the following powers:

(1) to preside over shareholders' meetings and to convene and preside over meetings of the Board of Directors;

(2) to supervise and inspect the implementation of resolutions of the Board of Directors;

(3) other powers conferred by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, and all directors shall be notified in writing at least 10 days before the meeting.

Shareholders representing 10% or more of the voting rights, one-third or more of the directors, or the audit committee may propose to convene an interim meeting of the Board of Directors. The chairman shall convene and preside over the meeting within 10 days after receiving the proposal.

A meeting of the Board of Directors may be held only if more than half of the directors are present. Resolutions of the Board of Directors must be passed by a majority of all directors. Voting on resolutions of the Board of Directors shall be on a one-vote-per-director basis.

Audit Committee

The Company's Board of Directors shall establish an audit committee, which shall exercise the powers of the supervisory board as provided in the Company Law.

The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board of Directors for consideration after being approved by a majority of all members of the audit committee:

(1) appointment or dismissal of the accounting firm engaged by the Company for audit services;

(2) changes in accounting policies or estimates, or corrections of material accounting errors, for reasons other than changes in accounting standards;

(3) other matters provided by laws, administrative regulations, the Hong Kong Listing Rules, CSRC regulations and these Articles of Association.

Manager

The Company shall have one manager, who shall be appointed or dismissed by the Board of Directors. The Company may have deputy managers, who shall be appointed or dismissed by the Board of Directors.

The manager shall be responsible to the Board of Directors and shall exercise the following powers:

(1) to preside over the Company's production and operation management, organize the implementation of board resolutions, and report to the Board of Directors;

(2) to organize the implementation of the Company's annual operating plan and investment plan;

(3) to formulate plans for the establishment of the Company's internal management structure;

(4) to formulate the Company's basic management systems;

(5) to formulate the Company's specific rules and regulations;

(6) to propose to the Board of Directors the appointment or dismissal of deputy managers, chief financial officer and other senior management;

(7) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal should be decided by the Board of Directors;

(8) for transaction matters that do not meet the standards for consideration by the Board of Directors as provided in these Articles of Association, the chairman or manager of the Company shall approve and decide in accordance with the authorization of the Board of Directors;

(9) other powers conferred by these Articles of Association or the Board of Directors.

The manager shall attend meetings of the Board of Directors as a non-voting participant.

Financial and Accounting System

The periodic reports on the Company's H Shares include annual reports and interim reports. The Company shall disclose preliminary announcements of annual results within three months after the end of each fiscal year, and shall prepare and disclose the annual financial and accounting reports within four months from the end of each fiscal year and at least 21 days before the date of the annual general

meeting. The Company shall disclose preliminary announcements of interim results within two months after the end of the first half of each fiscal year, and shall prepare and disclose the interim financial and accounting reports within three months from the end of the first half of each fiscal year. The Company may submit and disclose quarterly reports in accordance with the relevant provisions of the stock exchange of the place where the Company's shares are [REDACTED]. Where the regulatory rules of the place where the Company's shares are [REDACTED] have other provisions, such provisions shall prevail.

The above financial and accounting reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations, the Hong Kong Listing Rules, the CSRC and the securities regulatory authorities and stock exchanges of the place where the Company's shares are [REDACTED].

The Company's annual financial reports shall be made available at the Company's premises for inspection by shareholders 20 days before the convening of the annual shareholders' meeting.

Profit Distribution

When distributing after-tax profits for the year, the Company shall set aside 10% of the profits as the statutory common reserve fund. When the accumulated amount of the Company's statutory common reserve fund reaches 50% or more of the Company's registered share capital, it may no longer be set aside.

If the Company's statutory common reserve fund is insufficient to cover losses from previous years, before setting aside the statutory common reserve fund in accordance with the preceding paragraph, the profits of the current year shall first be used to cover the losses.

After setting aside the statutory common reserve fund from after-tax profits, the Company may, upon resolution of the shareholders' meeting, also set aside discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after covering losses and setting aside reserve funds shall be distributed to shareholders in proportion to the shares held by them, except where these Articles of Association provide for distribution other than in proportion to shareholding.

If the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation to the Company; if losses are caused to the Company, the shareholders and the directors and senior management with responsibility shall be liable for compensation.

Shares of the Company held by the Company itself shall not participate in profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for [REDACTED]. Such receiving agents shall collect and hold on behalf of the relevant [REDACTED] the dividends and other amounts payable by the Company in respect of [REDACTED] pending payment to such [REDACTED]. The receiving agents appointed by the Company shall comply with the requirements of laws, regulations and securities regulatory rules of the place where the Company's shares are [REDACTED].

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operations, or be converted into increases in the Company's registered share capital. When reserve funds are used to cover the Company's losses, discretionary common reserve fund and statutory common reserve fund shall be used first; if the losses are still not covered, capital reserve fund may be used in accordance with regulations.

When statutory common reserve fund is converted into increased registered share capital, the remaining reserve fund shall not be less than 25% of the Company's registered share capital before the conversion.

Dissolution and Liquidation of the Company

The Company shall be dissolved under any of the following circumstances:

(1) expiry of the operating term provided in these Articles of Association or occurrence of other dissolution events provided in these Articles of Association;

(2) resolution of the shareholders' meeting on dissolution;

(3) dissolution required due to the merger or division of the Company;

(4) the business license is revoked, the Company is ordered to close down or is revoked in accordance with the law;

(5) where the Company's operations and management encounter serious difficulties, and continuation of the Company's existence would cause material losses to the interests of shareholders, and the difficulties cannot be resolved through other means, shareholders holding 10% or more of the voting rights of the Company may request the people's court to dissolve the Company.

Upon the occurrence of a dissolution event as provided in the preceding paragraph, the Company shall disclose the dissolution event through the National Enterprise Credit Information Publicity System within 10 days.

Where the Company is under the circumstances of, paragraph 1, items 1 or 2 of the preceding article, and has not yet distributed property to shareholders, it may survive by amending these Articles of Association or by resolution of the shareholders' meeting.

Where the Company is dissolved under, paragraph 1, items 1, 2, 4 or 5 of the preceding article, it shall be liquidated. The directors shall be the persons responsible for liquidation, and shall form a liquidation group to carry out liquidation within 15 days from the date of the occurrence of the dissolution event.

The liquidation group shall notify creditors within 10 days from the date of its establishment, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice is received, declare their claims to the liquidation group.

After cleaning up the Company's property and preparing the balance sheet and property list, if the liquidation group finds that the Company's property is 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 people's court.

Upon 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 submit it to the Company registration authority to apply for cancellation of the Company's registration.

AMENDMENT OF ARTICLES OF ASSOCIATION

The Company shall amend its Articles of Association under any of the following circumstances:

(1) where, after amendments to the Company Law or relevant laws and administrative regulations, the matters provided in the Articles of Association conflict with the amended provisions of laws and administrative regulations;

(2) where the Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;

(3) where the shareholders' meeting decides to amend the Articles of Association.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was established as a limited liability company in the PRC on August 26, 2019 and was converted into a joint stock limited company on May 18, 2026 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of the Company was RMB846,544,528.

Our Company has established a place of business in Hong Kong at 40th Floor, Dah Sing Financial Center, 248 Queen's Road East, Wan Chai, Hong Kong. Our Company has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on [●] with the Registrar of Companies in Hong Kong. Ms. Lam Wai Yee Sophie (林慧怡) has been appointed as authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process is the same as our Company's principal place of business in Hong Kong as set out above.

As we are 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 IV — Summary of Articles of Association".

2. Changes in Share Capital of Our Company

On July 30, 2025, the registered share capital of our Company was decreased from US$178,464,543 to US$110,131,210.

The registered capital of our Company was changed from US$110,131,210 to RMB737,655,639 upon completion of the joint stock reform of our Company on May 18, 2026. As of the date of our establishment as a joint stock company with limited liability, our registered capital was RMB737,655,639 consisting of 737,655,639 issued Shares with a nominal value of RMB1.00 each, which has been fully paid up by our promoters.

The registered capital of our Company was increased from RMB737,655,639 to RMB846,544,528 consisting of 846,544,528 issued Shares on May 18, 2026.

Save as disclosed above, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this Document.

3. Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 24 to the Accountant's Report as set out in Appendix I to this Document.

Save as disclosed below and in the Accountant's Report set out in Appendix I to this Document, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this Document.

Name of subsidiary	Date of Change	Share capital before change	Share capital after change
Leading Qinhuangdao	June 8, 2026	RMB500,000,000	RMB850,000,000

4. Resolutions of our Shareholders

At the general meetings of the Shareholders held on June 25, 2026, the following resolutions, among other things, our Shareholders resolved to approve the following:

(a) the [REDACTED] by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;

(b) the number of H Shares to be [REDACTED] before the exercise of the [REDACTED] shall not be more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED], and granting the [REDACTED] the [REDACTED] of no more than [REDACTED]% of the number of H Shares [REDACTED] pursuant to the [REDACTED];

(c) authorization of the Board or its authorized individual to handle matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of the H Shares; and

(d) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on the [REDACTED] and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

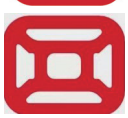
We have entered into the following contract(s) (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that are or may be material:

(a) the [REDACTED].

2. Intellectual Property Rights

(a) *Trademarks*

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registered Owner	Class	Registration number	Registration date
1.		PRC	Our Company	40	52150888	2021-08-28
2.		PRC	Our Company	9	52145776	2021-08-28
3.		Chinese Taiwan	Our Company	9	2168403	2021-09-16
4.		Chinese Taiwan	Our Company	40	2170482	2021-09-16
5.		United States	Our Company	9	6748122	2022-05-31
6.		Chinese Taiwan	Our Company	9	2168402	2021-09-16
7.		Chinese Taiwan	Our Company	40	2170481	2021-09-16
8.		United States	Our Company	9	6840344	2022-09-06
9.		Chinese Taiwan	Our Company	9	2510463	2026-02-01
10.		Chinese Taiwan	Our Company	9	2510462	2026-02-01
11.		Chinese Taiwan	Our Company	9	2510448	2026-02-01

As of the Latest Practicable Date, we had applied for the registration of the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of application	Application	Class	Application number	Application date
1.		PRC	Our Company	9	88770580	2025-11-24
2.		Chinese Taiwan	Our Company	9	114086381	2025-11-24
3.		Hong Kong	Our Company	9	307197841	2026-02-24
4.		Hong Kong	Our Company	9	307199641	2026-02-26
5.		Hong Kong	Our Company	9	307199650	2026-02-26
6.		Hong Kong	Our Company	9	307199669	2026-02-26
7.		Hong Kong	Our Company	9	307199678	2026-02-26

(b) ***Copyrights***

As of the Latest Practicable Date, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Copyright	Place of registration	Registration number	Registration date
1.	Foolproof Parameter Control Software for Soft Gold Wire Production Line (軟金線線體參數防呆軟體)	PRC	2025SR2530477	2025-12-30
2.	EMP System (EMP系統)	PRC	2023SR1495310	2023-11-23
3.	EAP Special Edition Software (EAP特別版軟體)	PRC	2024SR0817917	2024-06-17

(c) ***Patents***

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date
1.	Packaging Substrate and Packaging Structure (封裝基板及封裝結構). . .	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202120620741.5	2021-11-23
2.	Tank, Circulation Device, and Circulation System (槽體、迴圈裝置及循環系統).	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202221579308.2	2022-11-15
3.	Heating Plate Assembly (加熱板組件).	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202221527157.6	2022-12-09
4.	Packaging Structure (封裝結構)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202221416390.7	2022-12-13
5.	Solder Printing Structure (焊料印刷結構)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202221331155.X	2022-12-13
6.	Lamination Assembly and Lamination Apparatus (壓合元件及壓合裝置). . .	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202221526175.2	2022-12-13
7.	Circuit Board Assembly (電路板元件).	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202221650311.9	2022-12-13
8.	Regeneration System (再生系統)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202221893658.6	2022-12-20
9.	Circuit Board and Electronic Device (電路板以及電子裝置)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202222151385.4	2023-02-21
10.	Ball Grid Array Ball Mounting Machine (球柵陣列植球機).	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202222503454.3	2023-03-17
11.	Printed Circuit Board Lamination Apparatus (印刷電路板壓合裝置). . .	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202222562310.5	2023-03-17
12.	Packaging Substrate (封裝基板)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202222529916.9	2023-04-14

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date
13.	Hanging Basket for Easy Liquid Drainage (便於排液的掛籃).	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202321230222.3	2023-10-10
14.	Suction Cup, Adsorption Mechanism, and Exposure Equipment (吸盤、吸附機構及曝光設備).	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202320968934.9	2023-11-10
15.	Shield Plate (遮板)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202321693142.1	2023-12-08
16.	Conveying Device (傳送裝置)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202322006402.X	2024-02-02
17.	Circuit Board with Embedded Components and Manufacturing Method Thereof (具有內埋元件的電路板及其製作方法) . . .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201310204368.5	2017-08-11
18.	Packaging Substrate and Manufacturing Method Thereof (封裝基板及其製作方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210561911.2	2017-10-27
19.	Chip Packaging Structure, Circuit Board with Embedded Components, and Manufacturing Method Thereof (晶片封裝結構、具有內埋元件的電路板及其製作方法) . . .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210577545.X	2017-01-11
20.	Circuit Board and Manufacturing Method Thereof (電路板及其製作方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201310270638.2	2017-10-27
21.	Circuit Board with Embedded Components and Manufacturing Method Thereof (具有內埋元件的電路板及其製作方法) . . .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210561907.6	2017-05-31
22.	IC Substrate, Semiconductor Device Having the Same, and Manufacturing Method Thereof (IC載板、具有該IC載板的半導體器件及製作方法).	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201310357713.9	2017-06-23
23.	Circuit Board and Manufacturing Method Thereof (電路板及其製作方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210363035.2	2017-03-01

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date
24.	Coreless Packaging Structure and Manufacturing Method Thereof (無芯層封裝結構及其製造方法). .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201310294203.1	2017-05-24
25.	Interconnection Substrate and Layered Packaging Structure (連接基板及層迭封裝結構)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210415956.9	2016-12-21
26.	Circuit Board and Manufacturing Method Thereof (電路板及其製作方法).	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210502222.4	2017-03-01
27.	Coreless Packaging Substrate and Manufacturing Method Thereof (無芯層封裝基板及其製作方法). .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201310265770.4	2017-08-25
28.	Interconnection Substrate and Layered Packaging Structure (連接基板及層迭封裝結構)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210379202.2	2016-08-24
29.	Chip Packaging Substrate and Structure and Manufacturing Method Thereof (晶片封裝基板和結構及其製作方法).	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201210360263.4	2016-11-09
30.	Circuit Board and Manufacturing Method Thereof (電路板及其製作方法).	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201410569679.6	2019-01-25
31.	Heat Sink and Manufacturing Method Thereof and Electronic Device (散熱片及其製作方法及電子設備)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201510351996.5	2019-04-16
32.	Packaging Structure and Manufacturing Method Thereof (封裝結構及其製作方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	PRC	ZL201610255094.6	2020-05-19
33.	Packaging Substrate and Manufacturing Method Thereof (封裝基板及其製作方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL201811240361.8	2021-10-19
34.	Circuit Board, Circuit Board Assembly, and Electronic Device (電路板、電路板元件以及電子裝置).	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202120599782.0	2021-11-23

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date
35.	Apparatus for Manufacturing IC Substrate and IC Substrate (IC載板的製備裝置及IC載板).	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202120812983.4	2022-04-01
36.	Fixture (掛具)	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202220671857.6	2022-09-16
37.	Ultrasonic Cleaning Apparatus (超聲波清潔裝置).	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202220666658.6	2022-09-16
38.	Circuit Board (電路板)	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202220633788.X	2022-11-29
39.	Film Lamination Apparatus (膜壓裝置)	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202220574473.2	2022-11-29
40.	Fixing Jig for Circuit Board Manufacturing (電路板製作用固定治具) .	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202220672152.6	2023-04-07
41.	Circuit Board and Manufacturing Method Thereof (電路板及其製作方法). . .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL201811361685.7	2023-04-18
42.	Reflow Soldering Temperature Measurement Carrier and Device (回流焊測溫載具及回流焊測溫裝置).	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202223457976.0	2023-06-09
43.	Inspection Structure (檢測結構)	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202223460082.7	2023-06-20
44.	Transmission Assembly and Transmission Structure (傳輸元件及傳輸結構). . .	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202320627247.0	2023-08-18
45.	Method for Manufacturing Circuit Board (線路板的製備方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202011338132.7	2024-03-22
46.	Feeding Mechanism and Receiving Equipment (送料機構及收料設備). . .	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202321853965.6	2024-03-29
47.	Packaging Structure (封裝結構)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202322597067.5	2024-05-10

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date
48.	Film Peeling Machine (撕膜機)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202322609524.8	2024-07-02
49.	Chiplet Packaging Structure (芯粒封裝結構)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202321961053.0	2024-08-30
50.	Water Blocking Wheel Set and Etching Apparatus (擋水輪組及蝕刻裝置)	Invention Patent	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202110817946.7	2024-12-27
51.	Circuit Board Assembly and Electronic Product (電路板元件和電子產品)	Utility Model	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	PRC	ZL202420783552.3	2025-01-17
52.	Testing Apparatus for Semiconductor Package (半導體封裝體的測試裝置)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202420077044.3	2025-03-07
53.	Method for Manufacturing Circuit Board (線路板的製作方法)	Invention Patent	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202110837772.0	2025-05-27
54.	Packaged Circuit Structure and Manufacturing Method Thereof (封裝電路結構及其製作方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. And our Company	PRC	ZL202110097582.X	2025-05-27
55.	Substrate with Fine-Pitch Conductive Bumps and Manufacturing Method Thereof (具有微間距導電凸塊的基板及其製造方法)	Invention Patent	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202311830765.3	2025-05-27
56.	Packaging Structure and Manufacturing Method Thereof (封裝結構及其製造方法)	Invention Patent	Our Company	PRC	ZL202111512130.X	2024-10-22
57.	Roller Cleaning Structure, Cleaning Apparatus, and Cleaning Method (滾輪清潔結構、清潔裝置及清潔方法)	Invention Patent	Our Company	PRC	ZL202111552707.X	2025-10-28
58.	Method for Manufacturing Fine-Line Circuit Board (細線路電路板的製作方法)	Invention Patent	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202111217605.2	2025-11-25
59.	Spray Apparatus for Packaging Substrate (封裝基板的噴淋裝置)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202422314074.4	2025-09-19
60.	Photomask and Exposure Equipment (光罩及曝光設備)	Utility Model	Our Company and Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	PRC	ZL202520580521.2	2026-03-26

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date
61.	Method for manufacturing a packaged circuit structure (Method for manufacturing a packaged circuit structure).	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	United States	US17/218556	2023-06-20
62.	Packaging Substrate, Packaging Structure, and Manufacturing Method Thereof (封裝基板、封裝結構及其製作方法).	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Chinese Taiwan	TW106116320	2019-07-11
63.	Method for Manufacturing Circuit Board (線路板的製備方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	Chinese Taiwan	TW109142126	2021-12-11
64.	Packaged Circuit Structure and Manufacturing Method Thereof (封裝電路結構及其製作方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	Chinese Taiwan	TW110103733	2022-12-01
65.	Packaging substrate, method for manufacturing same, and chip packaging structure having same . . .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and Zhen Ding Technology Co., Ltd.	United States	US14/097251	2015-10-27
66.	Circuit Board and Manufacturing Method Thereof (線路板及其製造方法)	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	Chinese Taiwan	TW112141409	2025-04-11
67.	Chip Packaging Structure, Manufacturing Method Thereof, and Electronic Device (晶片封裝結構及其製作方法和電子設備). .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Chinese Taiwan	TW112115405	2024-10-21
68.	Packaged circuit structure. . .	Invention Patent	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. and our Company	United States	US18/123881	2025-09-16

As of the Latest Practicable Date, our intellectual property portfolio included a total of 17 Material Co-owned Patents in Chinese Mainland and the United States. See "Relationship with Our Controlling Shareholders — Non-Competition Undertaking, and — Independence from Our Controlling Shareholders — Research and Development." as to the analysis of our rights with respect to the Material Co-owned Patents.

3. Domain names

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration date
1.	leadingics.com	Our Company	2022-11-21
2.	eleadingics.com	Our Company	2022-11-21
3.	leadingics.com.cn	Our Company	2022-11-21

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests of Directors and Chief Executive of the Company

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be 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 [REDACTED] contained in the Listing Rules.

2. Disclosure of Interests of Substantial Shareholders

(a) *Interests in our Company*

For information on the persons who will, immediately following the completion of the [REDACTED], having or be deemed or taken to have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company, see the section headed "Substantial Shareholders".

(b) *Interests of the Substantial Shareholders of Other Members of Our Group*

As of the Latest Practicable Date, our subsidiaries were all wholly owned by us and our Directors are not aware of any persons who would, immediately following the completion of the [REDACTED], be directly or indirectly interested in 10% or more of the issued voting Shares of the other members of our Group (other than our Company).

3. Service Contracts

We have entered into a contract with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

4. Director's Remuneration

Save as disclosed in the section headed "Directors and Senior Management" and Note 34 to "Appendix I — Accountant's Report" for the three years ended December 31, 2025 and for the three months ended March 31, 2026, none of our Directors received other remunerations of benefits in kind from us.

5. Disclaimers

Save as disclosed in this Document:

(a) none of our Directors or any of the parties listed in "- E. Other Information — 4. Qualifications of Experts" below is:

  (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

  (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(b) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in "— E. Other Information — 4. Qualifications of Experts" below:

  (i) is interested legally or beneficially in any shares in any member of our Group; or

  (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and

(d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are [REDACTED] on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. EMPLOYEE SHARE OWNERSHIP PLAN

The following is a summary of the principal terms of the Employee Share Ownership Plan in relation to our Employee Shareholding Platforms adopted by our Company on May 12, 2026 for the purpose of attracting and retaining talents for our Group. Under the Employee Share Ownership Plan, eligible participants are entitled to equity interest in the Employee Shareholding Platforms (the "Plan Shares"). As of the Latest Practicable Date, all of the Plan Shares under the Employee Share Ownership Plan have been granted to the eligible participants. See "History, Development and Corporate Structure — Employee Shareholding Platforms" for details of the ownership structure of each Employee Shareholding Platform and the grantees of the Plan Shares (including two Directors). As of the Latest Practicable Date, Employee Shareholding Platforms held approximately 9.81% of our total issued Shares. The Employee Share Ownership Plan is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Share Ownership Plan does not involve the grant of options by our Company to subscribe for new Shares or award of Shares upon [REDACTED].

(a) Purpose

The purpose of the Employee Share Ownership Plan is to attract and retain talents for our Group, and to foster shared interests between our Shareholders and our employees, thereby furthering our Company's focus on long-term development.

(b) Eligible participants

Persons eligible to participate in the Employee Share Ownership Plan are employees who hold important roles in our Group, and any other person whom the administrator of the Employee Share Ownership Plan considers appropriate.

(c) Vesting

The Plan Shares granted will vest in the following manner:

i. as to 20% on the later of the first anniversary of the [REDACTED] and March 31, 2027;

ii. as to 20% on the later of the first anniversary of the [REDACTED] and March 31, 2028;

iii. as to 20% on the later of the first anniversary of the [REDACTED] and March 31, 2029;

iv. as to 20% on the later of the first anniversary of the [REDACTED] and March 31, 2030; and

v. as to 20% on the later of the first anniversary of the [REDACTED] and March 31, 2031.

In the event that the corresponding employment contract of a grantee is terminated prior to the vesting of the Plan Shares, such Plan Shares may be repurchased by the general partner or other grantees designated by the corresponding Employee Shareholding Platform at the original grant price at the direction of the administrator or continue to be held at the direction of the administrator.

(d) Disposal of the Plan Shares

Upon the vesting of the Plan Shares, any exit from, or reduction of, a grantee's Plan Shares shall be effected through the disposal by the corresponding Employee Shareholding Platform of the Shares held by it. The proceeds from such disposal shall be distributed to the relevant grantee after deduction of applicable taxes and expenses, including operating expenses.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or our subsidiaries.

2. Litigation

To the knowledge of our Directors, no member of our Group has significant litigation or claims pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor has made an [REDACTED] on our behalf to the [REDACTED] for the [REDACTED] of, and [REDACTED] in, our H Shares in issue, our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may fall to be [REDACTED] pursuant to the exercise of the [REDACTED]). All necessary arrangements have been made to enable the [REDACTED] to be admitted into [REDACTED].

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US$900,000 to act as the sponsor of our Company in connection with the proposed [REDACTED] on the [REDACTED], which has yet to be paid in full to the Sole Sponsor as of the Latest Practicable Date.

CITIC Securities (Hong Kong) Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Please refer to "[REDACTED] — [REDACTED]."

4. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this Document are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	A corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
King & Wood	Legal advisor as to PRC law
King & Wood	Legal advisor as to PRC intellectual property law
Tsai, Lee & Chen	Legal advisor as to U.S. intellectual property law

Name	Qualification
Lin & Partners	Legal advisor as to the Chinese Taiwan laws
Hogan Lovells International LLP	Legal advisor as to International sanctions, U.S. export controls, tariff laws and the Outbound Investment Rule
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Cushman & Wakefield Limited	Independent property valuer
KPMG Advisory (China) Limited Shenzhen Branch	Transfer pricing consultant

Each of the experts named above has given and has not withdrawn its consent to the issue of this Document with the inclusion of its report, letter, and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

[REDACTED]

7. Compliance Advisor

Our Company has appointed Altus Capital Limited as its Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

8. Preliminary Expenses

Our Company did not incur material preliminary expenses for the purpose of the Listing Rules.

9. No Material Adverse Change

Our Directors confirm that, as of the date of this Document, there has been no material change in our financial or financial position since March 31, 2026.

10. Promoters

The promoters of our Company comprised all of the then shareholders of our Company, as of May 18, 2026 before our conversion into a joint stock limited liability company. Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transactions described in this Document.

11. Taxation of Holders of H Shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

12. Miscellaneous

Save as disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; (ii) no commissions, discounts, brokerage fees or other special terms have been granted in connection with the issue or sale of any shares of our Company; and (iii) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(e) there are no arrangements under which future dividends are waived or agreed to be waived;

(f) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) no part of the equity or debt securities of our Company, if any, is currently [REDACTED] on or [REDACTED] in on any stock exchange or trading system, and no such [REDACTED] or [REDACTED] on any stock exchange [REDACTED] is currently being or agreed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures; and

(k) our Company is a joint stock company with limited liability and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Appendix V — Statutory and General Information — E. Other Information — 4. Qualifications of Experts"; and

(b) a copy of each of the material contracts referred to in "Appendix V — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.leadingics.com** during a period of 14 days from the date of this Document:

1. the Articles of Association;

2. the Accountant's Report from PricewaterhouseCoopers, the text of which is set forth in Appendix I to this Document;

3. the audited consolidated financial statements of our Company for the three financial years ended December 31, 2025 and the three months ended March 31, 2026;

4. the report from PricewaterhouseCoopers on the Unaudited [REDACTED] Financial Information of our Group, the text of which is set forth in Appendix II to this Document;

5. the material contracts in "Appendix V — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts";

6. the written consents referred to in "Appendix V — Statutory and General Information — E. Other Information — 4. Qualifications of Experts";

7. the service contracts referred to in "Appendix V — Statutory and General Information — C. Further Information about our Directors and Senior Management — 3. Service Contracts";

8. the legal opinions issued by King & Wood, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;

9. the legal opinions issued by King & Wood, our PRC IP Legal Advisor as to PRC intellectual property law;

10. the legal opinions issued by Tsai, Lee & Chen, the legal advisor to our Company as to U.S. intellectual property law, our U.S. IP Legal Advisor as to U.S. intellectual property law;

11. the legal opinion issued by Lin & Partners, our legal advisor as to Chinese Taiwan laws;

12. the legal memorandum on International Sanctions, U.S. export controls, tariff laws and the Outbound Investment Rule issued by Hogan Lovells International LLP;

13. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in "Industry Overview";

14. the letter and valuation report relating to certain property interests of our Company prepared by Cushman & Wakefield Limited, the texts of which are set out in Appendix III to this Document;

15. the transfer pricing report prepared by KPMG Advisory (China) Limited Shenzhen Branch; and

16. a copy of the following PRC laws, together with their unofficial English translations:

    - the PRC Company Law;
    - the PRC Securities Law; and
    - the Overseas [REDACTED] Trial Measures.